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ABSTRACT

This curriculum guide contains five units teaching preservice vocational teachers to conduct supervised experience programs. Each unit contains an objective (e.g., "After completing this unit, the student should be able to choose and plan supervised occupational experience programs"); specific objectives (e.g., "State reasons for having a supervised occupational experience program"); suggested activities; information sheets, including terms and definitions appropriate to the unit; assignment sheets; answers to assignment sheets; and a test with answers. The five units cover the following topics: orientation to Future Farmers of America (FFA) recordkeeping, inventories and net worth, recordkeeping transactions, depreciation, and closing records. (KC)

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Vocational Agriculture I
Basic Core

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SECTION C--SUPERVISED EXPERIENCE PROGRAMS

UNIT I--Orientation to FFA Record Keeping
UNIT II--Inventories and Net Worth
UNIT III--Record Keeping Transactions
UNIT IV--Depreciation
UNIT V--Closing Records

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Curriculum and Instructional Materials Center
For the Division of Vocational Agriculture Education
OKLAHOMA STATE BOARD OF VOCATIONAL AND TECHNICAL EDUCATION
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ORIENTATION TO FFA RECORD KEEPING
UNIT I

UNIT OBJECTIVE

After completing this unit, the student should be able to choose and plan a supervised occupational experience program. This knowledge will be shown by completing the assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with orientation to FFA record keeping to the correct definitions.
2. Match types of supervised occupational experience programs to the correct descriptions.
3. State reasons for having a supervised occupational experience program.
4. Select from a list points to consider when choosing a supervised occupational experience program.
5. List factors to consider in developing a plan for a long-time supervised occupational experience program.
6. Select an occupational objective.
7. Prepare a plan for a long-time supervised occupational experience program.
8. Develop an agreement for supervised training program in production agriculture.

ORIENTATION TO FFA RECORD KEEPING
UNIT I

SUGGESTED ACTIVITIES

Suggested activities

A. Provide students with objective sheet.

B. Provide students with information and assignment sheets.

C. Discuss unit and specific objectives.

D. Discuss information and assignment sheets.

E. Make transparencies of forms in new *FFA Record Book* that might be needed to show examples of postings and problems.

F. Provide students with background about specific enterprises or projects they can have.

Examples: Show animals, personal greenhouse, ag mechanics enterprise, breeding animals

G. Survey students' finances and availability of facilities and feasability regarding an SOEP.

H. Arrange field trip or tour of other students' SOEP's.

I. Give test.

J. Reteach, if necessary.

II. Instructional materials

A. Objective sheet

B. Information sheet

C. Assignment sheets

1. Assignment Sheet #1--Select an Occupational Objective

2. Assignment Sheet #2--Prepare a Plan for a Long-Time Supervised Occupational Experience Program

3. Assignment Sheet #3--Develop an Agreement for Supervised Training Program in Production Agriculture

D. Test

E. Answers to test

III. Unit references

A. Carwin, Merle A. *Supervised Occupational Experience Manual.* Danville, Illinois: Interstate Printers and Publishers, Inc., n.d.

B. *Future Farmers of America Supervised Training Record Book.* Stillwater: Oklahoma State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1975.

ORIENTATION TO FFA RECORD KEEPING
UNIT I

INFORMATION SHEET

I. Terms and definitions

A. Supervised Occupational Experience Program (SOEP)--A program whereby the student becomes acquainted with the world of work and begins to recognize the importance of preparing for a vocation

(NOTE: Many times the supervised occupational experience program is simply referred to as the "project" or "supervised training program.")

B. Occupational objective--A person's vocational goal for the future in the world of work

(NOTE: The occupational objective is usually given a corresponding code number which is referred to as the occupational objective code.)

C. Plan for long-time supervised occupational experience program--Increase in scope, or broadening, of the SOEP

(NOTE: Plan for the long-time SOEP is usually a four-year plan beginning in Vocational Agriculture I in ninth grade.)

D. Enterprise--A category of the total business, for which individual records would be kept as a part of the total record keeping system

Examples: Swine, beef, wheat, dairy, agri-business, land, or equipment

(NOTE: Any service performed, or nontraditional production agriculture product for which income is received would be considered agri-business.)

E. Agreement for student's supervised training program in production agriculture--Statement of accepted responsibilities regarding the production agriculture enterprises

F. Scope--Extent, size, or greatness of the SOEP, or an enterprise in the SOEP

II. Types of supervised occupational experience programs

(NOTE: Records should be kept on all of these SOEP's.)

A. Supervised farming program--Has a production agriculture occupational objective, with a production agriculture project, and improvement practices to go along with it

INFORMATION SHEET

B. Cooperative occupational training experience program--Has a non-production occupational objective with an on-the-job training program; student must be enrolled in a VAOT class

(NOTE: Many Vo-Ag Departments offer a specialized class for students interested in this area. It is for juniors or seniors only and is called Vocational Agriculture Occupation Training or VAOT.)

C. Agri-business occupational experience program--Has a non-production occupational objective, with an on-the-job training program or a self-managed and operated agri-business, which is supervised by the vo-ag instructor

III. Reasons for having a supervised occupational experience program

A. Learn responsibility

B. Gain experience

C. Earn money

D. Develop management abilities

E. Prepare for a career

F. Learn record keeping

G. Learn new skills

H. Become established in farming or an agri-business occupation

I. Develop self-discipline

IV. Points to consider when choosing a supervised occupational experience program

A. Personal interest

B. Background and knowledge

C. Finances available

D. Facilities available

(NOTE: Adequate facilities will be necessary for a production agriculture project.)

E. Transportation needs and availability

F. Local Vo-Ag Department requirements

INFORMATION SHEET

V. Factors to consider in developing a plan for a long-time SOEP (Assignment Sheets #1, #2, and #3)

A. Occupational objective area

B. Facilities and finances available, as needed, for expansion

C. Expected income

D. Degree of independence expected

E. Anticipated scope of program in four years

F. Areas of interest

G. Encouragement from parents or other parties

ORIENTATION TO FFA RECORD KEEPING
UNIT I

ASSIGNMENT SHEET #1--SELECT AN OCCUPATIONAL OBJECTIVE

NAME _____ SCORE _____

In order to get started properly in the Vo-Ag career, it is necessary to choose the area of interest, or the occupational objective. Using the following list of occupational objective areas and their corresponding codes, select the area and code which most closely matches your chosen occupational objective.

01.0101	Animal Science
01.0102	Plant Science
01.0104	Farm Business Management
01.0199	Agricultural Production, Other
01.0201	Agricultural Chemicals
01.0202	Feeds
01.0203	Seeds
01.0204	Fertilizers
01.0299	Agriculture Supplies/ Services, Other
01.0301	Agriculture Power & Machinery
01.0311	Ag Welding
01.0312	Ag Small Eng. Repr.
01.0303	Soil Management
01.0304	Water Management
01.0306	Agriculture Construction and Maintenance
01.0307	Agriculture Electrification
01.0399	Agriculture Mechanics, Other
01.0401	Food Products
01.0402	Nonfood Products
01.0501	Aboriculture
01.0502	Floriculture
01.0503	Greenhouse Operation and Management
01.0504	Landscaping
01.0505	Nursery Operation and Management
01.0506	Turf Management
01.0599	Ornamental Horticulture, Other
01.0601	Forests
01.0602	Recreation
01.0603	Soil
01.0604	Wildlife (Including Game Farms and Hunting Areas)
01.0605	Water
01.0606	Air
01.0607	Fish (Including Farm and Hatcheries)
01.0608	Range
01.0699	Other Agriculture Resources
01.0703	Logging (Harvesting and Transportation)
01.0704	Wood Utilization
01.0799	Forestry, Other

Your chosen occupational objective:

_____ Number _____ Title

ORIENTATION TO FFA RECORD KEEPING
UNIT I

ASSIGNMENT SHEET #2--PREPARE A PLAN FOR A LONG-TIME SUPERVISED OCCUPATIONAL EXPERIENCE PROGRAM

NAME _____ SCORE _____

In order to gain experience it is necessary to set some goals and expectations. These goals should include expansion and broadening into other areas, when possible. Using the following form, write your plans, by school years and by individual enterprises, for the long-time supervised occupational experience program.

Your chosen or planned enterprise(s) is/are:

_____ _____

_____ _____

_____ _____

ASSIGNMENT SHEET #2

PUPIL'S PLAN FOR A LONG-TIME SUPERVISED OCCUPATIONAL EXPERIENCE PROGRAM

19____

19____

19____

19____

ORIENTATION TO FFA RECORD KEEPING
UNIT I

ASSIGNMENT SHEET #3--DEVELOP AN AGREEMENT FOR SUPERVISED TRAINING PROGRAM IN PRODUCTION AGRICULTURE

NAME _____ SCORE _____

All persons involved with the student's supervised training program in production agriculture should accept responsibilities. A form is provided in the *FFA Record Book* where these responsibilities can be recorded.

Study the sample agreement and then complete the blank form for your own production agriculture project(s).

ASSIGNMENT SHEET #3

AGREEMENT FOR STUDENT'S SUPERVISED TRAINING PROGRAM IN PRODUCTION AGRICULTURE

This Agreement is entered into this ____ day of _____ 19 ____ for a period of one year by and between _____ and _____ and covers the student's enterprises in production agriculture.

This Agreement contains statements concerning responsibility for providing equipment, land, buildings, capital, management, feed, vet supplies, seed, fuel, fertilizer, transportation, etc.

Student agrees to provide: (Specify details by enterprises)

Swine: Capital for purchases by borrowing, as needed, at the local bank; labor, management, feed, vet supplies, equipment

Beef: Capital for purchases by borrowing, as needed, at FmHA or other lending agency; feed, management, vet supplies, labor for parents' beef enterprises as needed

Wheat: Labor, seed, chemicals, fertilizer, and labor as needed for parents' crop enterprises.

Land: Capital for taxes, improvements

Equipment: Capital and labor for repairs and maintenance and new purchases

Student is to receive: (Specify details by enterprises)

Swine: Income, risk; land and transportation from parents in exchange for labor

Beef: Income, risk; pasture, as needed; buildings; equipment use; transportation from parents in exchange for labor in parent's beef enterprise

Wheat: Yield of the crop; use of parents' equipment, fuel, and transportation, as needed, in exchange for labor in crop enterprises

Land: Yield from the land

Equipment: Use of own equipment, and declining value due to depreciation

(continued)

ASSIGNMENT SHEET #3

Parent or "Other Party" agrees to provide: (Specify details by enterprises)

Swine: Land and transportation in exchange for student's labor

Beef: Pasture, as needed; buildings, equipment use, and transportation in exchange for student's labor in parents' beef enterprise

Wheat: Equipment, fuel, and transportation, as needed for student's wheat enterprise, in exchange for labor in parents' crop enterprises

Land:

Equipment:

Parent or "Other Party" is to receive: (Specify details by enterprises)

Swine: Student's labor in farm enterprises

Beef: Student's labor, as needed, in beef enterprise

Wheat: Student's labor in crop enterprise

Land:

Equipment:

Responsibility of Vocational Agriculture Teacher:

Signatures _____ (Student)

_____ (Parent or "Other" Party)

_____ (Vocational Agriculture Teacher)

ASSIGNMENT SHEET #3

AGREEMENT FOR STUDENT'S SUPERVISED TRAINING PROGRAM IN PRODUCTION AGRICULTURE

This agreement is entered into this ____ day of _____ 19 ____ for a period of one year by and between _____ and _____ and covers the student's enterprises in production agriculture.

This agreement contains statements concerning responsibility for providing equipment, land, buildings, capital, management, feed, vet supplies, seed, fuel, fertilizer, transportation, etc.

Student agrees to provide: (Specify details by enterprises)

_____

_____

_____

_____

_____

_____

_____

_____

Student is to receive: (Specify details by enterprises)

_____

_____

_____

_____

_____

_____

_____

_____

(continued)

ASSIGNMENT SHEET #3

Parent or "Other Party" agrees to provide: (Specify details by enterprises)

Parent or "Other Party" is to receive: (Specify details by enterprises)

Responsibility of Vocational Agriculture Teacher:

Signatures _____ (Student)

_____ (Parent or "Other Party")

_____ (Vocational Agriculture Teacher)

ORIENTATION TO FFA RECORD KEEPING
UNIT I

TEST

NAME _____ SCORE _____

1. Match terms associated with orientation to FFA record keeping to the correct definitions. Write the correct numbers in the blanks provided.

_____a. Increase in scope, or broadening, of the SOEP

_____b. A program whereby the student becomes acquainted with the world of work and begins to recognize the importance of preparing for a vocation

_____c. A category of the total business, for which individual records would be kept as a part of the total record keeping system

_____d. Statement of accepted responsibilities regarding the production agriculture enterprises

_____e. A person's vocational goal for the future in the world of work

_____f. Extent, size, or greatness of the SOEP, or an enterprise in the SOEP

1. Occupational objective
2. Supervised Occupational Experience Program (SOEP)
3. Enterprise
4. Plan for long-time supervised occupational experience program
5. Agreement for student's supervised training program in production agriculture
6. Scope

2. Match the types of supervised occupational experience programs to the correct descriptions. Write the correct numbers in the blanks provided.

_____a. Has a non-production occupational objective, with an on-the-job training program; student must be enrolled in a VAOT class

_____b. Has a non-production occupational objecive, with an on-the-job training program, or a self-managed and operated agri-business, which is supervised by the vo-ag instructor

_____c. Has a production agriculture occupational objective with a production agriculture project, and improvement practices to go along with it

1. Supervised farming program
2. Cooperative occupational training experience program
3. Agri-business occupational experience program

3. State four reasons for having a supervised occupational experience program.

   a. _____

   b. _____

   c. _____

   d. _____

4. Select from the following list points to consider when choosing a supervised occupational experience program. Mark each correct answer with an "X."

   _____a. Finances available

   _____b. Relatives' agricultural backgrounds

   _____c. Personal preference of vo-ag instructor

   _____d. Transportation needs and availability

   _____e. Background and knowledge

   _____f. Current feed prices

   _____g. Facilities available

   _____h. Local Vo-Ag Department requirements

5. List four factors to consider in developing a plan for a long-time supervised occupational experience program.

   a. _____

   b. _____

   c. _____

   d. _____

6. Select an occupational objective.

7. Prepare a plan for a long-time supervised occupational experience program.

8. Develop an agreement for supervised training program in production agriculture.

   (NOTE: If activities 6, 7, and 8 have not been finished before the test, ask your instructor when they should be completed.)

ORIENTATION TO FFA RECORD KEEPING
UNIT I

ANSWERS TO TEST

1. a. 4
   b. 2
   c. 3
   d. 5
   e. 1
   f. 6
2. a. 2
   b. 3
   c. 1
3. Any four of the following:
   a. Learn responsibility
   b. Gain experience
   c. Earn money
   d. Develop management abilities
   e. Prepare for a career
   f. Learn record keeping
   g. Learn new skills
   h. Become established in farming or an agri-business occupation
   i. Develop self-discipline
4. a, d, e, g, h
5. Any four of the following:
   a. Occupational objective area
   b. Facilities and finances available, as needed, for expansion
   c. Expected income
   d. Degree of independence expected

e. Anticipated scope of program in four years

f. Areas of interest

g. Encouragement from parents or other parties

6. Evaluated to the satisfaction of the instructor

7. Evaluated to the satisfaction of the instructor

8. Evaluated to the satisfaction of the instructor

INVENTORIES AND NET WORTH
UNIT II

UNIT OBJECTIVE

After completing this unit, the student should be able to recognize and categorize enterprises for the record keeping system, place values on enterprises, and develop a beginning inventory. This knowledge will be shown by completing the assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with inventories and net worth to the correct definitions.
2. State reasons for keeping inventory records.
3. List dates to make beginning inventories.
4. Select from a list items to be included in the SOEP inventory.
5. Match methods of valuation to the correct assets for taking inventory.
6. Match assets to the correct units and valuations in inventory.
7. List possible record keeping enterprises.
8. Match types of breeding stock to the correct rules for listing on inventory.
9. Arrange in order steps for completing a net worth statement.
10. Classify assets according to enterprise columns.
11. Prepare a sample beginning inventory.
12. Prepare your beginning inventory.
13. Complete a net worth statement.

INVENTORIES AND NET WORTH
UNIT II

SUGGESTED ACTIVITIES

I. Suggested activities

A. Provide students with objective sheet.

B. Provide students with information and assignment sheets.

C. Discuss unit and specific objectives.

D. Discuss information and assignment sheets.

E. Adapt materials for special-needs students.

F. Provide students with the *FFA Record Book*.

G. Show students a good example of a former state farmer scrapbook and explain that person's SOEP.

H. Arrange for an agribusiness person, bank agricultural representative, or an established farmer to talk to students about the importance of inventories and record keeping.

I. Duplicate and hand out sample inventories from *Record Books* of older students.

J. Give test.

K. Reteach, if necessary.

II. Instructional materials

A. Objective sheet

B. Information sheet

C. Assignment sheets

1. Assignment Sheet #1--Classify Assets According to Enterprise Columns
2. Assignment Sheet #2--Prepare a Sample Beginning Inventory
3. Assignment Sheet #3--Prepare Your Beginning Inventory
4. Assignment Sheet #4--Complete a Net Worth Statement

D. Answers to assignment sheets

E. Test

F. Answers to test

III. Unit references

A. Hodgens, Jim, and Myers, Leland. *Farm Business Management: Year I.* Stillwater: Oklahoma State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1979.

B. Reeder, Dean. *Vocational Agriculture IV.* Stillwater: Oklahoma State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1973.

C. *Future Farmers of America Supervised Training Record Book.* Stillwater: Oklahoma State Department of Vocational and Technical Education/ Curriculum and Instructional Materials Center, 1975.

INVENTORIES AND NET WORTH
UNIT II

INFORMATION SHEET

I. Terms and definitions

A. Beginning inventory--Itemized list of assets and their values pertaining to the SOEP; listed according to enterprises at the start of the record keeping period

B. Asset--Any item of value owned

C. Unit--Means used to count or measure items or assets

Examples: Livestock counted by head; hay measured by tons or counted by bales; land measured by acres; harvested crops measured by bushels

D. Quantity--Number of items or units

Examples: Bushels of wheat; tons of hay; pounds of pecans, head of cattle; acres of pasture or wheat

E. Unit price--Value assigned to individual units; used to figure overall value

Examples: Price/bu. (bushel); price/ton; price/cwt. (hundred weight)

F. Valuation--Setting a value or a unit price for an item or good

G. Scope--Extent, size, or greatness of the SOEP, or an enterprise in the SOEP

H. Ending inventory--Itemized list of assets and their values pertaining to the SOEP; listed according to enterprises at the close of the record keeping period

I. Net worth--Statement listing the physical resources and liabilities of a business

J. Liabilities--Financial claims against a business

K. Lien--Claim against property for an amount of money owed to someone or a business

II. Reasons for keeping inventory records

A. Provides a mental picture of the SOEP

B. Shows growth or decline of the SOEP

C. Provides a good management tool

D. Aids in obtaining credit or loans

INFORMATION SHEET

III. Dates to make beginning inventories

(NOTE: Once a beginning inventory is made, it is never changed.)

A. First beginning inventory--Soon after entering vocational-agriculture program

(NOTE: An inventory will be made, at this time, only by students who already have assets which will work into their SOEP and are enrolling for the first time.)

B. Remaining beginning inventories--January 1 of each year

(NOTE: Inventory is made as if it were done all on the same day; it must match the previous ending inventory, and must never be changed.)

IV. Items to be included in the SOEP inventory

(NOTE: List items owned personally or in partnership; if owned in partnership, explain what percentage you own and record only the value of your share.)

A. Production ag livestock

B. Production ag crops

Examples: Harvested stored crops and growing crops

C. Equipment owned and used in the SOEP

(NOTE: Do not include items of transportation, such as pickups, cars, or motorcycles, unless more than half of usage is directly related to the SOEP.)

D. Feed, seed, fuel, fertilizers, and supplies on hand

E. Other non-traditional farm SOEP items

F. Land legally owned, or being purchased by student

(NOTE: Do not inventory items or animals used for personal pleasure only; if it is likely they will not produce income, do not inventory them.)

V. Methods of valuation for assets when taking inventory

A. Purchase cost--Feed, fuel, fertilizer, seed, consumable supplies on hand, and equipment purchased for less than $50

(NOTE: Use price at which item was purchased on the market.)

B. Market value--Market livestock raised; farm-produced crops being stored

(NOTE: This is the value at the marketplace.)

INFORMATION SHEET

C. Production cost--Growing crops and growing horticultural plants not near marketable; purchased animals for resale

(NOTE: This refers to the cost already invested up to inventory date.)

D. Cost minus depreciation--Buildings, machinery, and equipment that originally cost $50 or more, and fences

(NOTE: Equipment which originally cost less than $50 should be listed in inventory at purchase cost.)

VI. Units and valuations for assets in inventory

A. Raised market livestock--Price per pound or per cwt.

(NOTE: This is to include all raised animals which are being fed out for market and will not be kept for breeding stock; for like sizes and classifications of animals, the value of an individual animal is usually figured and then multiplied by the number of head.)

Example: 20 market hogs averaging 200 lb. each and the market value is 40¢/lb.

200 lb. hog			80.00/ head	
x .40 /lb.	then		x 20 head	
$80.00 /head			$1600.00	total value of the 20 hogs

B. Harvested and stored crops

1. Small grains--Price/bu.
2. Peanuts, pecans, soybeans--Price/ton or price/lb.
3. Hay--Price/ton or price/bale
4. Cotton--Price/lb.

(NOTE: The price/lb. is for "lint" or ginned cotton, which is baled and stored in 500-pound bales; unginned cotton must be estimated.)

C. Growing assets

1. Growing crops--Production costs invested per acre
2. Growing horticultural plants not near marketable--Production costs invested per flat, pot, or individual plant
3. Purchased animals for resale--Production costs invested per individual animal

(NOTE: Items to be considered in figuring production costs invested would include purchase prices, where applicable, seed, rates for tillage operations, fertilizer, potting soil, flats, pots, utilities, feed, interest, vet supplies, hired labor, hired transportation, and cash rent.)

INFORMATION SHEET

D. Other assets

1. Feed--Price/cwt. or price/ton
2. Fuel--Price/gallon
3. Fertilizer--Price/ton or price/bag
4. Items of equipment purchased for less than $50.00--Price/item

(NOTE: Similar units or items can be grouped together with the price figured on one unit, and multiplied by the number of total units, to make one entry in the inventory.)

Example: 10 steers similar in size and kind, which average 400 pounds each and are worth $.80/pound, could be inventoried as:

10 steers avg. 400 lb. @ $.80/lb. = $3200.00

VII. Possible record keeping enterprises

A. Beef

B. Swine

C. Sheep

D. Poultry

E. Dairy

F. Dairy goats

G. Horses

(NOTE: Inventory all poultry and livestock under the appropriate column headings and all feed and supplies intended for each enterprise under that heading; also, inventory all equipment under the appropriate column heading, if it is used only by that enterprise.)

H. Crop category

I. Fruit or nut production

(NOTE: For the crop, fruit, or nut production enterprises, specify the enterprise column by the crop name.)

J. Vegetable production

INFORMATION SHEET

K. Nursery production

(NOTE: Inventory all crops, either growing or harvested, which are grown for cash, pasture, hay, or silage, and supplies and equipment to be used only for that crop enterprise.)

L. Forestry production

(NOTE: Inventory any forestry-related products or by-products on hand to be sold for cash and equipment and supplies to be used only by this enterprise.)

M. Fish and/or wildlife

(NOTE: Specify column by enterprise name, and inventory any animals to be used for production or to be marketed for cash, other than traditional farm animals, and supplies and equipment that are to be used only by this enterprise.)

L. Land

(NOTE: Only inventory land owned by and deeded to the student; inventory permanent improvements to the land at the cost of the improvement; inventory permanent buildings and fences placed on the land under the land enterprise column, but set up on a depreciation schedule.)

Examples: Conservation practices; clearing; sodding; leveling

O. Equipment

(NOTE: Inventory all items on the depreciation schedule that originally cost $50 or more if used by more than one enterprise; include items which originally cost less than $50 and are used by two or more enterprises.)

Examples: Hand tools; equipment; machinery

P. Agribusiness

(NOTE: Here, inventory assets or items that are not under another enterprise column; inventory special items on hand that would be needed for a job placement type of SOEP.)

VIII. Rules for listing types of breeding stock on inventory

(NOTE: When referring to an animal being "in production" or "mature," it means females at the time they produce offspring, or males at the time they are used for breeding purposes in the breeding herd.)

A. Purchased mature breeding stock--Always inventory at purchase-cost value

INFORMATION SHEET

B. Purchased immature breeding stock--Inventory first time at purchase price plus production costs up to the inventory date; at next inventory date, if the animal is not "in production," value it at the previous inventory amount plus production costs for current year

(NOTE: Once the animal is "in production," keep inventory values the same until the animal is disposed of.)

C. Raised mature breeding stock--On the first inventory, value at fair-market value

(NOTE: The inventory value on this animal shall remain the same on all future inventories, until animal is disposed of.)

D. Raised immature breeding stock--Inventory first time at fair-market value; at next inventory, if animal is not "in production," value at previous inventory amount plus production costs for current year

(NOTE: Once the animal is "in production," keep inventory values the same until the animal is disposed of.)

(CAUTION: Do not include any breeding stock on the depreciation schedule in the *FFA Record Book*.)

IX. Steps for completing a net worth statement

(NOTE: All entries should be done as if it were on the same date as the inventory.)

A. Transfer inventory "total value" column total to the line provided

B. Transfer totals from the "accounts receivable" form in the *Record Book* to the line provided

C. Enter cash on-hand the date the net worth statement is made

D. Enter the amount in your personal checking account on the date the net worth statement is made

E. Enter the amount in your personal savings account on the date the net worth statement is made

F. Enter other personal assets and their values

G. Total the value of all assets

H. Enter total amount of all unpaid bills

(NOTE: This should only show those bills which pertain to the SOEP.)

Example: Feed bills; vet supplies

INFORMATION SHEET

I. Transfer totals from the "accounts payable" form in the *Record Book*

(NOTE: This refers to notes and mortgages at lending institutions.)

J. List the other liabilities in the SOEP with their description

K. Total all liabilities

L. Compute the "net worth" by subtracting "B" from "A" under the beginning or ending column

INVENTORIES AND NET WORTH
UNIT II

ASSIGNMENT SHEET #1–CLASSIFY ASSETS ACCORDING TO ENTERPRISE COLUMNS

NAME_____ SCORE_____

In order to properly set up and start the record keeping system, it is important to be able to classify assets under the proper enterprise columns. This will insure that all assets are in the proper place in the beginning inventory. With this important thought in mind, classify the following assets under the proper enterprise column by placing the number of the asset under the enterprise name on the form provided.

(NOTE: You will need to refer to the list on the Information Sheet.)

1. 3 Angus cow/calf pairs; calves average 2 months old.
2. 1 breeding-age Duroc boar.
3. 200 feeder pullets.
4. 2 wether show lambs.
5. 500 conventional bales of prairie hay purchased to be fed to beef breeding stock.
6. 3000 bushels of wheat, stored in elevator, to be sold.
7. 1 portable 5-stall farrowing house, original cost $800.
8. One 11-month-old Hereford show heifer.
9. 2 crossbred show barrows.
10. 30 home-produced mixed barrows and gilts being fed for market; averaging 90 pounds each.
11. 1 pig ear notcher which cost $6.00.
12. 30 mixed beef steers you are running on your wheat pasture on cash-rented land. All cattle average 450 pounds.
13. 250 mixed caged laying hens and pullets.
14. 1 beef show halter which cost $25.00.
15. 10 portable steel panels, used for a stud pen, which cost $30 each.
16. 40 acres of good wheat pasture which you intend to pasture until March 15th and later harvest as a cash crop.
17. One $300 spray rig used to spray your fruit trees and do custom spraying for some neighbors.
18. 50 dwarf burford holly shrubs, of about equal size, which will probably be sold in the next two months. You have them in your outdoor plant bed.

ASSIGNMENT SHEET #1

19. 100 young growing trees which you plan to sell next Christmas.

20. 2 crossbred steers to be fed out for show steers.

21. 3 producing Hampshire ewes.

22. 10 fall-born wether lambs being fed for market.

23. 25 culled laying hens being fattened for market.

24. 5 producing dairy does.

25. One 4-year old quarter horse stud, which you use for breeding your 3 mares, and also is used to breed approximately 10 outside mares a year.

26. 80 acres of cropland which you have made a down payment on. You are crop farming the land, as well as getting some pasture benefits from it, on which you run stockers each year.

27. One $350 rotary tiller which you use in your commercial vegetable production operation only.

ASSIGNMENT SHEET #1

ENTERPRISE NAMES

a. Beef

_____ _____

_____ _____

b. Swine

_____ _____

_____ _____

c. Sheep

_____ _____

_____ _____

d. Poultry production

_____ _____

_____ _____

e. Dairy production

_____ _____

_____ _____

f. Dairy goat

_____ _____

_____ _____

g. Horse production

_____ _____

_____ _____

h. Crops category

_____ _____

_____ _____

i. Fruit or nut production

_____ _____

_____ _____

j. Vegetable production

_____ _____

_____ _____

k. Nursery production

_____ _____

_____ _____

l. Forestry production

_____ _____

_____ _____

m. Fish and/or wildlife

_____ _____

_____ _____

n. Land

_____ _____

_____ _____

o. Equipment

_____ _____

_____ _____

p. Agribusiness

_____ _____

_____ _____

INVENTORIES AND NET WORTH
UNIT II

ASSIGNMENT SHEET #2--PREPARE A SAMPLE BEGINNING INVENTORY

NAME_____ SCORE _____

To further prepare to make your beginning inventory, it is necessary to prepare a sample inventory. After studying the example, use the information provided and the beginning inventory form from the *FFA Record Book* and prepare the inventory for this sample set of enterprises by completing the steps below.

(NOTE: All entries in the *Record Book* should be made in pencil, and the first beginning inventory date for Vo-Ag students should be September 1.)

1. Study the list of assets.
2. Identify column headings needed, using the list in the Information Sheet, if needed.
3. Label enterprise columns needed.
4. Post inventory items with their values.

   (NOTE: Post item value under column titled "Total Value" and next under the appropriate enterprise column using the same horizontal line for both values.)
5. Total all columns at bottom.

   (NOTE: See example on next page.)

ASSIGNMENT SHEET #2

Example:

Item or Description	Total Value	Value to the Enterprise					
		1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
2 reg. Hamp Gilts, 175 lb ea							
$92 invested in each	184 00	184 00					
1 Simmental cow (purchased							
as cow/calf pair)	600 00		600 00				
1 Simmental calf (4 months							
old and will be a							
show steer) Production							
costs invested =	246 00		246 00				
Plan to work ground and							
plant wheat later	—			—			
20 acres of farm land to							
plant wheat crop on	14,000 00				14,000 00		
1 portable A-frame hog							
house (purchased July 1							
for $500) See depreciation							
schedule	485 00	485 00					
200# of hog feed @ $13/cwt.	26 00	26 00					
Swine show equipment	12 00	12 00					
Beef show equipment							
(halter, brush, comb)	42 00		42 00				
Totals--Beginning Inventory	15,595 00	222 00	888 00		14,000 00	485 00	

ASSIGNMENT SHEET #2

List of assets or inventory items on September 1.

1. Two crossbred show barrows which you bought last spring for $65 each; your other costs invested up to this point are $30 each for the two pigs.

2. Four hundred pounds of hog feed purchased for $13/cwt.

3. Four thousand bushels of wheat stored from last spring's harvest; current market value is $4.60/bu.

4. Ten portable panels which originally cost $400; depreciated value at the time of this inventory is $300. These panels are sometimes used with both the beef and swine enterprises.

5. One eight-month-old steer you have raised and plan to sell as a stocker steer; the steer weighs 625 lb. and current market value is 86¢/lb.

6. Sixty bales of hay which you purchased for $3.00/bale to be fed to your cow this winter.

7. One 2 1/2-year-old Hereford cow which you bought last winter. Inventory at her purchase cost, which is $500, plus production costs, up to inventory time, of $90.

8. Forty acres of crop land given to you by your grandfather last year that is deeded to you. The appraised value of the land at inventory time is $700/acre.

ASSIGNMENT SHEET #2

BEGINNING INVENTORY

January 1, 19____

Item or Description	Total Value	Value to the Enterprise					
		1	2	3	4	5	6 Agribusiness
Totals--Beginning Inventory							

INVENTORIES AND NET WORTH
UNIT II

ASSIGNMENT SHEET #3--PREPARE YOUR BEGINNING INVENTORY

NAME_____ SCORE _____

To do your personal beginning inventory, for your SOEP, it is necessary to (1) list your inventory items, (2) identify your enterprise column names, and (3) prepare your beginning inventory.

(CAUTION: Make all entries in the *Record Book* in pencil.)

PART I

The first step in preparing your beginning inventory is making a detailed list of your inventory items for your SOEP in the space below.

ASSIGNMENT SHEET #3

PART II

The second step is to make a key of your enterprise column names for your record keeping system. Use the form below to list your enterprise names and to make the numbered column assignments.

(NOTE: After completion of the form and teacher approval, transfer to the actual *FFA Record Book*.)

KEY TO ENTERPRISES FOR WHICH RECORDS ARE TO BE KEPT

Enterprises	Column No. on pages
	1
	2
	3
	4
	5
Agribusiness	6

(NOTE: The enterprise names and corresponding column numbers as assigned here are to stay the same throughout the record keeping system.)

ASSIGNMENT SHEET #3

PART III

Prepare your beginning inventory on the form provided.

(NOTE: After completion and teacher approval, transfer this information to the actual *Record Book*.)

BEGINNING INVENTORY

January 1, 19____

Item or Description	Total Value	Value to the Enterprise					
		1	2	3	4	5	6 Agribusiness
Totals--Beginning Inventory							

INVENTORIES AND NET WORTH
UNIT II

ASSIGNMENT SHEET #4--COMPLETE A NET WORTH STATEMENT

NAME_____ SCORE _____

In order to properly complete your first and remaining net worth statements, it is important to go through the steps for doing a sample net worth. Study the sample statement, then using the information and form provided, complete a net worth statement. Finally, using the form provided, complete your personal beginning net worth statement.

ASSIGNMENT SHEET #4

SAMPLE STUDENT'S NET WORTH STATEMENT

A. Student's Assets	Beginning	Ending
	Date 9-1-81	Date
1. Total inventory value (from pages 8 and 9)	$ 15,595.00	$
2. Accounts receivable (from page 10)	$ —	$
3. Cash money on hand	$ 12.17	$
4. Checking account (1st Nat'l Bank)	$ 111.06	$
5. Savings account (Liberty Fed. Sav + Loan)	$ 2,134.18	$
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$	$
12 ga. Shotgun	$ 160.00	$
1 yr. old motorcycle	$ 700.00	$
	$	$
	$	$
	$	$
A. TOTAL ASSETS	$ 18,712.41	$

B. Student's Liabilities		
1. Unpaid bills (Central Feed Store)	$ 47.51	$
2. Accounts payable (notes and mortgages) from page 10		
	$	$
3. Other liabilities (specify)	$	$
	$	$
	$	$
B. TOTAL LIABILITIES	$ 47.51	$

NET WORTH (A minus B) Beginning $18,664.90 NET WORTH (A minus B) Ending $

(CAUTION: Beginning net worth values of this book must be the same as the ending net worth values of the previous book and ending net worth values of this book must be the same as the beginning net worth values of the next book.)

ASSIGNMENT SHEET #4

Information for sample beginning net worth statement

1. Beginning inventory value--$3,104.00
2. Accounts receivable--None
3. Cash on hand--$7.84
4. Checking account balance--$94.33 at First State Bank
5. Savings account balance--$311.14 at First State Bank
6. Other assets--An $85.00 rifle and a $70 ten-speed bicycle
7. Unpaid bill for services--$62 at local vet clinic
8. Account payable on a note at the bank--$364 from buying 2 sows
9. No other liabilities

ASSIGNMENT SHEET #4

STUDENT'S NET WORTH STATEMENT

A. Student's Assets	Beginning Date	Ending Date
1. Total inventory value (from pages 8 and 9)	$	$
2. Accounts receivable (from page 10)	$	$
3. Cash money on hand	$	$
4. Checking account	$	$
5. Savings account	$	$
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$	$
	$	$
	$	$
	$	$
	$	$
	$	$
A. TOTAL ASSETS	$	$

B. Student's Liabilities		
1. Unpaid bills	$	$
2. Accounts payable (notes and mortgages) from page 10		
	$	$
3. Other liabilities (specify)	$	$
	$	$
	$	$
B. TOTAL LIABILITIES	$	$

NET WORTH (A minus B) Beginning $_____ NET WORTH (A minus B) Ending $_____

(CAUTION: Beginning net worth values of this book must be the same as the ending net worth values of the previous book and ending net worth values of this book must be the same as the beginning net worth values of the next book.)

ASSIGNMENT SHEET #4

(NOTE: Prepare your personal beginning net worth statement on form below.)

A. Student's Assets	Beginning	Ending
	Date_____	Date_____
1. Total inventory value (from pages 8 and 9)	$_____	$_____
2. Accounts receivable (from page 10)	$_____	$_____
3. Cash money on hand	$_____	$_____
4. Checking account	$_____	$_____
5. Savings account	$_____	$_____
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$_____	$_____
	$_____	$_____
	$_____	$_____
	$_____	$_____
	$_____	$_____
	$_____	$_____
A. TOTAL ASSETS	$_____	$_____

B. Student's Liabilities		
1. Unpaid bills	$_____	$_____
2. Accounts payable (notes and mortgages) from page 10		
	$_____	$_____
3. Other liabilities (specify)	$_____	$_____
	$_____	$_____
	$_____	$_____
B. TOTAL LIABILITIES	$_____	$_____

NET WORTH (A minus B) Beginning $_____ NET WORTH (A minus B) Ending $_____

(CAUTION: Beginning net worth values of this book must be the same as the ending net worth values of the previous book and ending net worth values of this book must be the same as the beginning net worth values of the next book.)

INVENTORIES AND NET WORTH
UNIT II

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1

a.	1, 5, 8, 12, 14, 20	i.	--
b.	2, 7, 9, 10, 11	j.	27
c.	4, 21	k.	18
d.	3, 13, 22	l.	19
e.	--	m.	--
f.	24	n.	26
g.	15, 25	o.	17
h.	6, 16	p.	--

Assignment Sheet #2

Item or Description	Total Value	Value to the Enterprise					
		[1] Swine	[2] Beef	[3] Wheat	[4] Land	[5] Equip.	[6] Agribusiness
2 crossbred barrows	190 00	190 00					
400# hog feed @ $13/cwt.	52 00	52 00					
800 bu. wheat in storage @ $4.60/bu.	3,680 00			3,680 00			
10 portable panels	300 00					300 00	
1 625# steer @ 86¢/lb	537 50		537 50				
60 bales of hay @ $3/bale	180 00		180 00				
1 Hereford cow - 2½ yrs. old	590 00		590 00				
40 acres crop land	28,000 00				28,000 00		
Totals--Beginning Inventory	33,529 50	242 00	1,307 50	3,680 00	28,000 00	300 00	

Assignment Sheet #4

STUDENT'S NET WORTH STATEMENT

A. Student's Assets	Beginning	Ending
	Date 9-1-81	Date
1. Total inventory value (from pages 8 and 9)	$ 3104.00	$
2. Accounts receivable (from page 10)	$ —	$
3. Cash money on hand	$ 7.84	$
4. Checking account 1st State Bank	$ 94.33	$
5. Savings account	$ 311.14	$
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$	$
22 rifle	$ 85.00	$
10 speed bicycle	$ 70.00	$
	$	$
	$	$
	$	$
A. TOTAL ASSETS	$ 3672.31	$

B. Student's Liabilities		
1. Unpaid bills Vet bill	$ 62.00	$
2. Accounts payable (notes and mortgages) from page 10		
note on sows	$ 364.00	$
3. Other liabilities (specify)	$	$
	$	$
	$	$
B. TOTAL LIABILITIES	$ 426.00	$

NET WORTH (A minus B) Beginning $ 3246.31 NET WORTH (A minus B) Ending $

INVENTORIES AND NET WORTH
UNIT II

TEST

NAME _____ SCORE _____

1. Match terms associated with inventories and net worth to the correct definitions. Write the correct numbers in the blanks provided.

_____a. Setting a value or unit price for an item or good

_____b. Number of items or units

_____c. Itemized list of assets and their values pertaining to the SOEP; listed according to enterprises at the close of the record keeping period

_____d. Any item of value owned

_____e. Means used to count or measure items or assets

_____f. Itemized list of assets and their values pertaining to the SOEP; listed according to enterprises at the start of the record keeping period

_____g. Extent, size, or greatness of the SOEP, or an enterprise in the SOEP

_____h. Value assigned to individual units; used to figure overall value

_____i. Claim against property for an amount of money owed to someone or a business

_____j. Statement listing the physical resources and liabilities of a business

_____k. Financial claims against a business

1. Unit price
2. Asset
3. Valuation
4. Quantity
5. Beginning inventory
6. Scope
7. Unit
8. Ending inventory
9. Net worth
10. Liabilities
11. Lien

2. State reasons for keeping inventory records.

a. _____

b. _____

c. _____

d. _____

3. List dates to make beginning inventories.

   a. First beginning inventory--_____

   b. Remaining beginning inventories--_____

4. Select from the following list items to be included in the SOEP inventory. Mark each correct answer with an "X."

   _____a. Production ag livestock

   _____b. Rented pasture land

   _____c. Parents' equipment which is used in the SOEP

   _____d. Roping horse used in play days only

   _____e. Other non-traditional farm SOEP items

   _____f. Feed, seed, fuel, fertilizers, and supplies on hand

   _____g. Land legally owned, or being purchased by student

   _____h. Production ag crops

   _____i. Shotguns, rifles and stereo equipment owned by student

   _____j. Equipment owned and used in the SOEP

5. Match methods of valuation to the correct assets for taking inventory. Write the correct numbers in the blanks provided.

   _____a. Market livestock raised; farm-produced crops being stored

   _____b. Growing crops and growing horticultural plants not near marketable; purchased animals for resale

   _____c. Feed, fuel, fertilizer, seed, consumable supplies on hand, and equipment purchased for less than $50

   _____d. Buildings, machinery, and equipment that originally cost $50 or more, and fences

   1. Cost minus depreciation
   2. Purchase cost
   3. Market value
   4. Production cost

6. Match assets to the correct units and valuations in inventory. Write the correct numbers in the blanks provided.

_____a. Price/bu.

_____b. Price/ton or price/bale

_____c. Price/ton or price/lb.

_____d. Production costs invested per acre

_____e. Price/gallon

_____f. Price per pound or per cwt.

_____g. Production costs invested per flat, pot, or individual plant

_____h. Production costs invested per individual animal

1. Fuel
2. Hay
3. Growing horticultural plants not near marketable
4. Raised market livestock
5. Peanuts, pecans, soybeans
6. Growing crops
7. Purchased animals for resale
8. Small grains harvested and stored

7. List 10 possible record keeping enterprises.

a. _____ f. _____

b. _____ g. _____

c. _____ h. _____

d. _____ i. _____

e. _____ j. _____

8. Match types of breeding stock to the correct rules for listing on inventory. Write the correct numbers in the blanks provided.

_____a. Inventory first time at purchase price plus production costs up to the inventory date; at next inventory date, if the animal is not "in production," value it at the previous inventory amount plus production costs for current year

_____b. Always inventory at purchase-cost value

_____c. On the first inventory, value at fair-market value

_____d. Inventory first time at fair-market value; at next inventory, if animal is not "in production," value at previous inventory amount plus production costs for current year

1. Purchased mature breeding stock
2. Purchased immature breeding stock
3. Raised mature breeding stock
4. Raised immature breeding stock

9. Arrange in order steps for completing a net worth statement. Write a "1" before the first step, a "2" before the second step, and so on, in the blanks provided.

   _____a. Enter total amount of all unpaid bills

   _____b. Enter the amount in your personal checking account on the date the net worth statement is made

   _____c. Transfer totals from the "accounts payable" form in the *Record Book*

   _____d. List the other liabilities in the SOEP with their description

   _____e. Transfer inventory "total value" column total to the line provided

   _____f. Enter other personal assets and their values

   _____g. Total the value of all assets

   _____h. Compute the "net worth" by subtracting "B" from "A" under the beginning or ending column

   _____i. Transfer totals from the "accounts receivable" form in the *Record Book* to the line provided

   _____j. Total all liabilities

   _____k. Enter cash on-hand the date the net worth statement is made

   _____l. Enter the amount in your personal savings account on the date the net worth statement is made

10. Classify assets according to enterprise columns.

11. Prepare a sample beginning inventory.

12. Prepare your beginning inventory.

13. Complete a net worth statement.

    (NOTE: If activities 10, 11, 12, and 13 have not been finished before the test, ask your instructor when they should be completed.)

INVENTORIES AND NET WORTH
UNIT II

ANSWERS TO TEST

1. a. 3 e. 7 i. 11
   b. 4 f. 5 j. 9
   c. 8 g. 6 k. 10
   d. 2 h. 1
2. a. Provides a mental picture of the SOEP
   b. Shows growth or decline of the SOEP
   c. Provides a good management tool
   d. Aids in obtaining credit or loans
3. a. Soon after entering vocational-agriculture program
   b. January 1 of each year
4. a, e, f, g, h, j
5. a. 3 c. 2
   b. 4 d. 1
6. a. 8 e. 1
   b. 2 f. 4
   c. 5 g. 3
   d. 6 h. 7
7. Any ten of the following:
   a. Beef
   b. Swine
   c. Sheep
   d. Poultry
   e. Dairy
   f. Dairy goats

g. Horses

h. Crop category

i. Fruit or nut production

j. Vegetable production

k. Nursery production

l. Forestry produciton

m. Fish and/or wildlife

n. Land

o. Equipment

p. Agribusiness

8. a. 2 c. 3
   b. 1 d. 4

9. a. 8 g. 7
   b. 4 h. 12
   c. 9 i. 2
   d. 10 j. 11
   e. 1 k. 3
   f. 6 l. 5

10. Evaluated to the satisfaction of the instructor

11. Evaluated to the satisfaction of the instructor

12. Evaluated to the satisfaction of the instructor

13. Evaluated to the satisfaction of the instructor

RECORD KEEPING TRANSACTIONS
UNIT III

UNIT OBJECTIVE

After completing this unit, the student should be able to properly post entries in the *FFA Record Book* as required in the daily record keeping procedures. This knowledge will be shown by completing the assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with record keeping transactions to the correct definitions.
2. Select from a list correct times to post.
3. Select from a list reasons for exchange labor transactions.
4. Select from a list reasons for enterprise transfers.
5. Arrange in order the steps for posting an exchange labor transaction.
6. Arrange in order the steps for posting an enterprise transfer.
7. Select from a list rules for keeping records of land.
8. State rules for recording gifts to the SOEP in the *Record Book*.
9. Select from a list rules for keeping records of equipment use.
10. Post *Record Book* transactions.
11. Post enterprise transfer transactions.

RECORD KEEPING TRANSACTIONS
UNIT III

SUGGESTED ACTIVITIES

I. Suggested activities

A. Provide students with objective sheet.

B. Provide students with information and assignment sheets.

C. Discuss unit and specific objectives.

D. Discuss information and assignment sheets.

E. Adapt materials for special needs students.

F. Make transparencies of forms in new *Record Book* that might be needed to show examples of postings and problems.

G. Have students keep their *FFA Record Books* handy for reference.

H. Have examples of unusual SOEP situations, to share with students, which might show different types of record keeping transactions.

I. Show examples of how enterprise transfers can help to analyze feasibility of a particular enterprise.

J. Give test

K. Reteach, if necessary.

II. Instructional materials

A. Objective sheet

B. Information sheet

C. Assignment sheets

1. Assignment Sheet #1--Post *Record Book* Transactions

2. Assignment Sheet #2--Post Enterprise Transfer Transactions

D. Answers to assignment sheets

E. Test

F. Answers to test

III. Unit references

A. *Future Farmers of America Supervised Training Record Book.* Stillwater: Oklahoma State Department of Vocational and Technical Education/ Curriculum and Instructional Materials Center, 1975.

B. Nelson, Ted R., and Kletke, Darrel D. *Oklahoma Farm and Ranch Custom Rates, 1979-1980. OSU Extension Facts*, No. 140. Stillwater: Oklahoma State University, March, 1980.

RECORD KEEPING TRANSACTIONS
UNIT III

INFORMATION SHEET

I. Terms and definitions

A. Post--To make an entry in the record book on the "sales and other income" page or the "expense" page

B. Credit--Addition to an "enterprise" column on the "sales and other income" page which increases the value of that enterprise column

C. Debit--Entry in the record book "expense" page, to a particular enterprise column, which increases the expense to that enterprise

D. Expense--Cost or cash outlay to a particular enterprise

E. Sales and other income--Transactions that will increase the value of an enterprise column

F. Accounts receivable--Money to be collected from businesses or individuals to whom products or services were sold

G. Accounts payable--Money that an individual or a business owes for goods or services purchased

H. Enterprise transfer--To change assets over from one enterprise to another

(NOTE: Many times it is necessary to transfer assets from one account to another. The purpose of this is to show a credit to an enterprise for items transferred which might not actually produce a cash sale.)

Example: You have bought a ton of corn, intended to be fed to your swine enterprise, and have shown it as an expense to swine; a few weeks later, you decide to feed 500 pounds of it to your beef enterprise. You would then determine the value/cwt. and show a sale for the swine enterprise and an equal expense to the beef enterprise

I. Exchange labor--Labor traded for equal values of feed, facilities, equipment usage, or other products or services

Example: The student may do winter feeding of parents' beef cows in exchange for feed for the student's own beef cows

(NOTE: Exchange labor circumstances should be written into the agreement in the front of the *Record Book*.)

INFORMATION SHEET

II. Correct times to post (Assignment Sheet #1)

A. Each time a single expense occurs

B. Each time a sale or income occurs

C. When an enterprise transfer is done

D. When a phase of expenses occurs for a particular enterprise

(NOTE: Expenses would be posted to a particular crop enterprise when that phase of the operation is complete.)

Examples: Plowing, purchase of seed, purchase of fertilizer, planting, topdressing, spraying, harvesting

If tractors or equipment belonging to parents are used, the fair custom-rate amount should be posted to expenses for that crop enterprise

E. Weekly or monthly when exchange labor transaction expenses and income occur

F. When interest payments are made, which have not previously been charged as expenses

G. When gifts are posted as an expense at the time received

(NOTE: The expense should be the market value or appraised value.)

III. Reasons for exchange labor transactions

A. Goods or services used in student's enterprises are difficult to separate from those used in parent's or other party's

B. Exchange labor agreement is made between student and parent or other party instead of hiring labor

C. Student can provide time for labor, but is not able to purchase goods or equipment use

D. Goods, services, or equipment use are not available for purchase or for hire

IV. Reasons for enterprise transfers

A. Shows proper credit to an enterprise which otherwise may not have an actual sale or income

Example: You may have wheat or another harvested crop that you have grown and have in storage; you then decide to feed some of it to your swine enterprise instead of selling it for a cash sale. Determine the market value of the crop and show an income to that crop enterprise for the amount to be fed; show an equal value as an expense to the swine enterprise for feed

INFORMATION SHEET

B. Helps in enterprise analysis and decision-making

C. Shows actual picture of how an enterprise stands alone

V. Steps for posting an exchange labor transaction (Assignment Sheet #1)

(NOTE: The value and amount of the labor, and the value and amount of the units being exchanged, should be determined before posting the transaction. The period of time involved should also be predetermined.)

A. Compute the dollar value of products or services received for the time period involved

B. Charge the total amount to the appropriate enterprise on the "expense" page

C. Credit the total amount of the transaction to the "sales and other income" page, "agri-business" enterprise column

VI. Steps for posting an enterprise transfer (Assignment Sheet #2)

A. Determine the enterprise to be transferred from

B. Determine the enterprise to be transferred to

C. Determine description and value

D. Credit the amount to the appropriate "enterprise" column, from which the transfer is being made, on the "sales and other income" page

E. Charge the amount to the appropriate "enterprise" column, which the transfer is being made to, on the "expense" page

(CAUTION: These recorded values must be the same.)

VII. Rules for keeping records of land

A. Land owned

(NOTE: Land owned is defined as, "land which is deeded or under contract for deed to the student.")

1. Inventory land owned prior to entering vo-ag at fair market or appraised value

2. Put land obtained after first inventory on "expense" page under "land" column at actual cost or appraised value

INFORMATION SHEET

3. Rent the land to the enterprise using it

   Example: If it is crop land, show an income to "land" for a fair rent price, and charge the same amount as an "expense" to the crop; if it is pasture land, show an income to "land" and a pasture rent "expense" to the livestock enterprise using the land

4. Always keep inventory value the same

B. Land rented for cash

1. Never put on inventory

2. Show as a cash expense to enterprise using the land

   (NOTE: If the land is being used by more than one enterprise, or only for part of the year, then the expense should be pro-rated out.)

3. Never have a "land enterprise" column for rented land

C. Crop-share rented land

1. Never put the land on inventory

2. Never have a "land enterprise" column for crop-share rented land

3. Show student's share of expenses only and charge to the "crop enterprise" column

4. Show student's share of income only and post under the "crop enterprise" column

VIII. Rules for recording gifts to the SOEP in the *Record Book*

A. Record as an expense at fair-market or appraised value

B. Record assets which have a title, deed, or registration paper, in the student's name

IX. Rules for keeping records of equipment use

A. Record depreciable machinery and equipment under a separate column if the item might be used by more than one enterprise

B. Rent equipment to the enterprise it is being used for at a fair custom rate

(NOTE: Show an income to the equipment enterprise, and an expense to the enterprise using the equipment.)

Example: If your tractor is being used to work your wheat ground, then show an income to the equipment enterprise at a fair custom rate, and an equal expense to the wheat enterprise

RECORD KEEPING TRANSACTIONS
UNIT III

ASSIGNMENT SHEET #1--POST *RECORD BOOK* TRANSACTIONS

NAME _____ SCORE _____

(NOTE: Due to fluctuating farm prices and values, some of the following values in the examples and situations may seem outdated.)

Posting *Record Book* transactions is a necessary part of regular *Record Book* maintenance. To complete this assignment sheet, do the following: (1) study the sample situations and example postings of these situations; (2) post the next set of situations on the appropriate forms provided.

(CAUTION: All entries in the *Record Book* are to be made in pencil.)

PART I

Sept. 12	Purchased 200# of feed for the Hamp gilts @ $13.00/cwt.
Sept. 15	Purchased 30 bushels of seed wheat @ $5.15/bu. for your wheat enterprise on your owned farm land
Sept. 16	Paid State Fair entry fees on gilts @ $4.00/head
Sept. 20	Received payment from neighboring farmer for driving tractor 10 hours @ 4.00/hr.
Sept. 22	Sold 400 bushels of wheat from last spring's wheat harvest @ $4.42/bu.
Sept. 22	Purchased 2 tons of fertilizer for wheat crop @ $130/ton
Sept. 27	Post exchange labor of $152.80 for discing and planting wheat using parent's equipment in exchange for 38 hours labor helping plant parent's wheat crop
Sept. 30	Posted exchange labor of $10 for September pasture rent for cow and calf in exchange for helping to "pour" parents cattle for 2 1/2 hours

ASSIGNMENT SHEET #1

EXAMPLE:

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise 1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
9/12	200# hog feed	26.00	26.00					
9/15	30 bu. seed wheat @ $5.13/bu	154.50			154.50			
9/16	Entry Fee for gilts/State Fair	8.00	8.00					
9/22	2 Tons of 10-20-10 @ $130/T for wheat	260.00			260.00			
9/27	Exchange labor for discing and planting wheat with Dads Equipment	152.80			152.80			
9/30	Exchange labor for Pasture Rent	10.00		10.00				

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise 1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
9/20	10 hours tractor driving for Mr. Smith	40.00						40.00
9/22	400 bu. wheat @ $4.42/bu.	1768.00			1768.00			
9/27	Exchange labor for helping plant parents wheat + equipment use (38 hours)	152.80						152.80
9/30	Exchange labor income for pasture rent	10.00						10.00

ASSIGNMENT SHEET #1

PART II

Oct. 7 — Received $12.00 prize money on one of the Hamp gilts for placing first at State Fair

Oct. 7 — Received $2.00 prize money on the other Hamp gilt for placing seventh at State Fair

Oct. 10 — Purchased 200# hog feed @ $13.10/cwt.

Oct. 11 — Breeding fee for both gilts @ $50.00 each

Oct. 24 — Sold one Bred Hamp gilt at All-Breed Sale for $185

Oct. 27 — Purchased 1 Hamp and 1 cross barrow to show next spring for $75 each

Oct. 31 — Post exchange labor of $10.00 for October pasture rent for cow and calf in exchange for helping with parent's cattle

EXHIBITION RECORD

Record all exhibits--transfer prizes won to the sales and other income page and enter for the proper enterprise at the end of the year.

Date	Kind of Exhibit	Where Exhibited	Placings	Prize Won	

ASSIGNMENT SHEET #1

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise					
			1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise					
			1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness

RECORD KEEPING TRANSACTIONS
UNIT III

ASSIGNMENT SHEET #2--POST ENTERPRISE TRANSFER TRANSACTIONS

NAME_____ SCORE_____

Posting enterprise transfers is necessary in many FFA record keeping systems. Study the following example situation and transaction. After studying the example, post the enterprise transfer transactions on the forms provided for the situations given.

Example:

SITUATION: You have both a swine and a beef enterprise. You recently bought 1000# of corn @ $6.00/cwt. You have already recorded the corn as an expense to the swine enterprise, but now you have decided to feed 500# of it to one of your beef calves. You need to show an expense for the corn to the beef enterprise and an equal amount of income to the swine enterprise in order to make this enterprise transfer. The transaction date is November 11.

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
11/11	Transfer 500# corn							
	from swine to beef							
	@ $6/cwt.	30.00	30.00					

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
11/11	Transfer 500# corn							
	from swine to beef							
	@ $6.00/cwt.	30.00		30.00				

ASSIGNMENT SHEET #2

SITUATION: You have 10 stocker steers averaging 400# each which you bought and put on your 20 acres of wheat pasture on Nov. 1. You now need to record the enterprise transfer of wheat pasture as a sale to the wheat enterprise and an expense to the beef enterprise. The rate to use is $2.00/cwt./month. Using this rate, record the transaction for November on the forms provided. Transaction date is November 30.

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise					
			1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise					
			1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness

RECORD KEEPING TRANSACTIONS
UNIT III

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1

EXHIBITION RECORD

Record all exhibits--transfer prizes won to the sales and other income page and enter for the proper enterprise at the end of the year.

Date	Kind of Exhibit	Where Exhibited	Placings	Prize Won
10/7	Hamp gilt	State Fair	1st	12.00
10/7	Hamp gilt	State Fair	7th	2.00

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise: 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
10/24	1 Bred Hamp gilt	185.00	185.00					
10/31	Exchange labor for							
	Pasture rent for cow's calf	10.00						10.00

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise: 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
10/10	200# hog Feed	26.20	26.20				1	
10/11	Breeding Fee for 2 gilts							
	@ $50.00/each	100.00	100.00					
10/27	1 Hamp barrow	75.00	75.00					
10/27	1 Cross barrow	75.00	75.00					
10/31	Exchange labor for							
	Pasture rent for cow-calf for Oct.	10.00		10.00				

Assignment Sheet #2

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
11/30	Grazing 20 acres of wheat pasture by 10-400# steers @ $2.00/cwt/month for the month of Nov.	80.00		80.00				

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise 1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
11/30	Grazing 20 acres of wheat pasture by 10-400# steers @ $2.00/cwt/month for month of Nov.	80.00			80.00			

RECORD KEEPING TRANSACTIONS
UNIT III

TEST

NAME _____ SCORE _____

1. Match terms associated with record keeping transactions to the correct definitions. Write the correct numbers in the blanks provided.

_____a. Addition to an "enterprise" column on the "sales and other income" page which increases the value of that enterprise column

_____b. Money to be collected from businesses or individuals to whom products or services were sold

_____c. To make an entry in the record book on the "sales and other income" page or the "expense" page

_____d. Labor traded for equal values of feed, facilities, equipment usage, or other products or services

_____e. To change assets over from one enterprise to another

_____f. Entry in the record book "expense" page, to a particular enterprise column, which increases the expense to that enterprise

_____g. Money that an individual or a business owes for goods or services purchased

_____h. Cost or cash outlay to a particular enterprise

_____i. Transactions that will increase the value of an enterprise column

1. Post
2. Credit
3. Debit
4. Expense
5. Sales and other income
6. Accounts receivable
7. Accounts payable
8. Enterprise transfer
9. Exchange labor

2. Select from the following list correct times to post. Mark each correct answer with an "X."

_____a. Weekly or monthly when exchange labor transaction expenses and income occur

_____b. At the start of each nine weeks of school

_____c. Each time a sale or income occurs

_____d. At the beginning of school each fall only

_____e. Each time a single expense occurs

_____f. When gifts are posted as an expense on December 31

3. Select from the following list reasons for exchange labor transactions. Mark each correct answer with an "X."

_____a. Student's SOEP records look better

_____b. Goods or services used in student's enterprises are difficult to separate from those used in parent's or other party's

_____c. Exchange labor agreement is made between student and parent or other party instead of hiring labor

_____d. After-school and weekend jobs are provided

_____e. Student can provide time for labor, but is not able to purchase goods, services, or equipment use

_____f. Goods, services, or equipment use are not available for purchase or for hire

_____g. Experience in other types of work, other than your own SOEP enterprises, is provided

4. Select from the following list reasons for enterprise transfers. Mark each correct answer with an "X."

_____a. Shows actual picture of how an enterprise stands alone

_____b. Gives an opportunity to show unrealistic profits

_____c. Shows proper credit to an enterprise which otherwise may not have an actual sale or income

_____d. Helps show how much better one enterprise is than another

_____e. Causes more enterprise columns and makes your SOEP look better financially

5. Arrange in order the steps for posting an exchange labor transaction. Place a "1" in front of the first step, a "2" in front of the second step, and so on in the blanks provided.

_____a. Charge the total amount to the appropriate enterprise on the "expense" page

_____b. Credit the total amount of the transaction to the "sales and other income" page, "agri-business" enterprise column

_____c. Compute the dollar value of products or services received for the time period involved

6. Arrange in order the steps for posting an enterprise transfer. Place a "1" in front of the first step, a "2" in front of the second step, and so on in the blanks provided.

_____a. Determine description and value

_____b. Charge the amount ot the appropriate "enterprise" column, which the transfer is being made to, on the "expense" page

_____c. Determine the enterprise to be transferred from

_____d. Credit the amount to the appropriate "enterprise" column, from which the transfer is being made, on the "sales and other income" page

_____e. Determine the enterprise to be transferred to

7. Select from the following list rules for keeping records of land. Mark each correct answer with an "X."

a. Land owned

_____1) Raise land value on each beginning inventory

_____2) Inventory land owned prior to entering Vo-Ag at fair market or appraised value

_____3) Rent the land to the enterprise using it

_____4) Inventory all land which you are helping to farm

_____5) Always keep inventory value the same

b. Land rented for cash

_____1) Put on first beginning inventory only

_____2) Never have a "land enterprise" column for rented land

_____3) Show as a cash expense to enterprise using the land

_____4) Show expenses on parent or other party's cash-rented land which you are helping to care for

_____5) Put the cash-rented price for land on the "sales and other income" page under "land"

_____6) Never put on inventory

c. Crop-share rented land

_____1) Never put the land on inventory

_____2) Show student's share of expenses only and charge to the "crop enterprise" column

_____3) Always have a "land enterprise" column for crop-share rented land

_____4) Show student's share of income only and post under the "crop enterprise" column

_____5) Never have a "land enterprise" column for crop-share rented land

_____6) Combine the value of land with the value of the crop

8. State the rules for recording gifts to the SOEP in the *Record Book*.

   a. _____

   _____

   b. _____

   _____

9. Select from the following list rules for keeping records of equipment use. Mark each correct answer with an "X."

   _____a. Record the total value of the equipment each time it is used

   _____b. Record depreciable machinery and equipment under a separate column if the item might be used by more than one enterprise

   _____c. Keep all equipment under the same enterprise column and never record the full value

   _____d. Rent equipment to enterprise it is being used for at a fair custom rate

10. Post *Record Book* transactions.

11. Post enterprise transfer transactions.

    (NOTE: If activities 10 and 11 have not been finished before the test, ask your instructor when they should be completed.)

RECORD KEEPING TRANSACTIONS
UNIT III

ANSWERS TO TEST

1. a. 2
   b. 6
   c. 1
   d. 9
   e. 8
   f. 3
   g. 7
   h. 4
   i. 5
2. a, c, e
3. b, c, e, f
4. a, c
5. a. 2
   b. 3
   c. 1
6. a. 3
   b. 5
   c. 1
   d. 4
   e. 2
7. a. 2, 3, 5
   b. 2, 3, 6
   c. 1, 2, 4, 5
8. a. Record as an expense at fair-market or appraised value
   b. Record assets which have a title, deed, or registration paper, in the student's name
9. b, d
10. Evaluated to the satisfaction of the instructor
11. Evaluated to the satisfaction of the instructor

DEPRECIATION
UNIT IV

UNIT OBJECTIVE

After completing this unit, the student should be able to compute depreciation. This knowledge will be shown by completing the assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with depreciation to the correct definitions.
2. Select from a list reasons for depreciating an asset.
3. List major causes of depreciation.
4. Match methods of computing depreciation to the correct descriptions.
5. State the rule for determining which assets to set up on a depreciation schedule.
6. Distinguish between depreciable and non-depreciable assets.
7. Match assets to the years of depreciation allowed.
8. Arrange in order steps for handling depreciable assets in the *Record Book*.
9. Complete a depreciation schedule.

DEPRECIATION
UNIT IV

SUGGESTED ACTIVITIES

I. Suggested activities

A. Make arrangements for showing examples of problems involving depreciation that the students can identify with locally; use situations with assets some of the students already have.

B. Make transparencies of forms in the new *Record Book* which might be needed for showing examples of postings and problems on the overhead projector.

C. Provide students with objective sheet.

D. Provide students with information and assignment sheets.

E. Discuss unit and specific objectives.

F. Discuss information and assignment sheets.

G. Adapt materials for special needs students.

H. Develop a crossword puzzle for students to complete with terms and definitions in objective one.

I. Have students work depreciation schedules for assets either they or someone else in the chapter own.

J. Give test.

K. Reteach, if necessary.

II. Instructional materials

A. Objective sheet

B. Information sheet

C. Assignment Sheet #1--Complete a Depreciation Schedule

D. Answers to assignment sheet

E. Test

F. Answers to test

III. Unit references

A. Hodgens, Jim. *Farm Business Management: Year I.* Stillwater: Oklahoma State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1979.

B. Reeder, Dean. *Vocational Agriculture IV: Basic Core.* Stillwater: Oklahoma State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1973.

DEPRECIATION
UNIT IV

INFORMATION SHEET

I. Terms and definitions

A. Depreciation--Decline in value of an asset due to causes such as wear, weather, obsolescence, or inadequacy; a method of prorating the cost of a working asset over its productive life

(NOTE: Depreciation is a non-cash expense.)

B. Depreciation schedule--Form used to illustrate and record declining values

C. Working asset--Asset that is productive over a period longer than one year and becomes less valuable over time

D. Useful life--Period over which the asset is expected to be valuable to the business or in the production of income

E. Salvage value--Amount that an asset will be worth when it is no longer useful or productive

(NOTE: This is to be determined when the asset is first obtained.)

F. Cost--Purchase price of assets bought outright

(NOTE: When a like item is traded in, the cost is computed as the cash difference paid plus the remaining value of the asset traded in.)

G. Prior depreciation--Total value that has been taken in previous years

H. Beginning of year balance--Value of an asset at the start of a calendar year of record keeping based on the depreciation taken off in previous years

I. Depreciation this year--Predetermined amount to be depreciated from an asset during the current calendar year of record keeping

J. Ending of year balance--Value of an asset at the close of a calendar year of record keeping

(NOTE: This is based on a total of prior depreciation and depreciation this year.)

II. Reasons for depreciating an asset

A. Estimates the average yearly non-cash expense

(NOTE: This provides an opportunity to see roughly what an item is worth each year of its useful life.)

INFORMATION SHEET

B. Adjusts taxable income

(NOTE: Depreciation expenses allow a tax deduction, thereby releasing cash that can be used for other purposes.)

C. Estimates current value

(NOTE: If depreciation is overstated, it appears there is less money invested in assets than there really would be if the assets were to be sold. As a result, the business shows a deflated net worth.)

III. Major causes of depreciation

A. Wear and tear due to use

B. Obsolescence due to new technology

C. Deterioration due to elements of nature

INFORMATION SHEET

IV. Methods of computing depreciation (Assignment Sheet #1)

A. Straight-line--Salvage value is subtracted from the cost and the difference is divided by the useful life; the result is the amount to be depreciated each year

Example: $\frac{\text{Cost - Salvage Value}}{\text{Number of years of useful life}}$ = Annual depreciation

A 60-bushel self feeder for swine was purchased on January 1, 1981, for $300.00; it has an estimated useful life of eight years, with an estimated salvage value of $50.00

$$\frac{300 - 50}{8} = \$31.25 \text{ annual depreciation}$$

Year	Rate or Amount Each Year	Prior Deprec.	Beginning of Year Balance	Deprec. This Year	Ending of Year Balance
1	31.25	--	300.00	31.25	268.75
2	31.25	31.25	268.75	31.25	237.50
3	31.25	62.50	237.50	31.25	206.25
4	31.25	93.75	206.25	31.25	175.00
5	31.25	125.00	175.00	31.25	143.75
6	31.25	156.25	143.75	31.25	112.50
7	31.25	187.50	112.50	31.25	81.25
8	31.25	218.75	81.25	31.25	50.00

(NOTE: If the feeder were purchased at midyear, the first year's depreciation would be 6/12 x $31.25, or $15.62. Each year thereafter the depreciation would be $31.25 until the eighth year, when it would be $15.63, which is the balance to be depreciated.)

B. Declining balance--Fast write-off method which gives greater depreciation the first year and decreases over time

C. Sum of the year's digits--Completely depreciates the cost of an asset over its useful life

(NOTE: It is suggested that all depreciation done in the *FFA Record Book* be done with the straight-line method. If further information is needed about the other methods of depreciation, refer to the *IRS Farmers Tax Guide.*)

INFORMATION SHEET

V. Rule for determining which assets to set up on a depreciation schedules--Only those assets with an expected useful life of more than one year and cost $50 or more at time of purchase

VI. Depreciable and non-depreciable assets

(NOTE: All of the depreciable assets must have cost $50 or more at time of purchase.)

DEPRECIABLE	NON-DEPRECIABLE
Vehicles of which more than half of mileage is used directly in the SOEP	Personal cars, pickups, or motorcycles of which less than half of the mileage is used directly in the SOEP
Tractors, implements, machinery, and equipment	Land, and conservation improvements to land
Fences	All livestock and animals
Barns and buildings	Personal residences
Water systems	Feed, fuel, fertilizer, and consumable supplies

(NOTE: Conservation improvements to land should be put on the "expense" page under the "land" enterprise at the cost to do the improvement. On the next ending inventory, completed after the improvement is done, write in the description of the improvement under "land." This will increase the value of the land enterprise on the inventory, but only by the amount of the cost of the improvement. This is the only way land value can be increased.)

VII. Years of depreciation allowed for assets

A. Tractors and implements -- 8 to 10 years

B. Vehicles -- 3 years

C. Barns and buildings -- 15 to 20 years

D. Fences -- 20 years

E. Other assets -- Actual expected useful life

INFORMATION SHEET

VIII. Steps for handling depreciable assets in the *Record Book*

A. Record the cost of the item on the "expense" page under the appropriate enterprise column on the date it is acquired

B. Compute the annual depreciation to be taken

(NOTE: If the item is not acquired at the beginning of the calendar year, then a partial year's depreciation will have to be computed for this first year.)

C. Record the information requested on the "depreciation schedule" in the *Record Book*

(NOTE: The "prior depreciation" column will be left blank for this first year's records; also, the "beginning of year balance" column will be left blank this first year, unless the item was purchased on January 1.)

D. Record the "ending of year balance" figure on the ending inventory as the value of the item on that date

(NOTE: The value of the item at this time should be equal to the cost minus the depreciation taken this year. Since the item was not on the beginning inventory, it should create an increase in inventory, which will be recorded on the "sales and other income" page. This will "even out" the expense of the item except for the amount that was depreciated during the year.)

E. Record the beginning inventory value for the item in the new book exactly the same as the ending inventory value in the previous book

F. Record the information requested for the item on the depreciation schedule in the new book

(NOTE: This time all columns should have an entry. The prior depreciation column should have the amount taken off in the *Record Book* just completed. This column, in future books, will continue to be a total each year of the amounts taken off in previous years.)

DEPRECIATION
UNIT IV

ASSIGNMENT SHEET #1--COMPLETE A DEPRECIATION SCHEDULE

NAME_____ SCORE_____

Many FFA members have, in their SOEP, assets which need to be set up on a depreciation schedule. It is important to understand how the depreciation schedule is used and how certain information is transferred from one year to the next. Study the example on the next page, then, complete the depreciation schedule for the sample assets on the page that follows.

ASSIGNMENT SHEET #1

Example: Situation: April 1 of your ninth-grade year, you purchased a 60 bu. self-feeder for hogs. It cost $300, will have a salvage value of $50, and an expected life of 8 years.

(NOTE: The following example shows the first partial year's depreciation and the next full year's depreciation using the straight-line method.)

Transactions :

$300	Cost
- 50	Salvage value
$250	Amount to be depreciated

$250 ÷ 8 years life = $31.25 annual depreciation

$31.25 x 9/12 (partial first year) = $23.43 depreciation for partial year

DEPRECIATION SCHEDULE (CALENDAR YEAR 1981)

		1	2	3								
Item or Description	Date Acquired	Cost	Salvage Value	Total Amount to be Depreciated (1 2 = 3)	Method	Life	Rate or Amount Each Year	Prior Deprec.	Beginning of Year Balance	Deprec. This Year	Ending of Year Balance*
60 bu feeder	4/1/81	300 00	50 00	250 00	SL	8 yrs	31 25	–	–	23 43	276 57

DEPRECIATION SCHEDULE (CALENDAR YEAR 1982)

		1	2	3								
Item or Description	Date Acquired	Cost	Salvage Value	Total Amount to be Depreciated (1 2 = 3)	Method	Life	Rate or Amount Each Year	Prior Deprec.	Beginning of Year Balance	Deprec. This Year	Ending of Year Balance*
60 bu Feeder	4/1/81	300 00	50 00	250 00	SL	8 yrs	31 25	23 43	276 57	31 25	245 32

ASSIGNMENT SHEET #1

Situation: On July 1, you bought a portable farrowing house for $2500. It will have a salvage value of $500 after 10 years of life. Using the straight-line method, show the entries on the depreciation schedule for the first partial year and first full year.

DEPRECIATION SCHEDULE

		1	2	3							
Item or Description	Date Acquired	Cost	Salvage Value	Total Amount to be Depreciated (1-2=3)	Method	Life	Rate or Amount Each Year	Prior Deprec.	Beginning of Year Balance	Deprec. This Year	Ending of Year Balance*

DEPRECIATION SCHEDULE

		1	2	3							
Item or Description	Date Acquired	Cost	Salvage Value	Total Amount to be Depreciated (1-2=3)	Method	Life	Rate or Amount Each Year	Prior Deprec.	Beginning of Year Balance	Deprec. This Year	Ending of Year Balance*

DEPRECIATION
UNIT IV

ANSWERS TO ASSIGNMENT SHEET

Assignment Sheet #1

DEPRECIATION SCHEDULE

		1		2		3															
Item or Description	Date Acquired	Cost		Salvage Value		Total Amount to be Depreciated (1-2=3)		Method	Life	Rate or Amount Each Year		Prior Deprec.		Beginning of Year Balance		Deprec. This Year		Ending of Year Balance*	
Portable Farrowing House	July 1	2,500	00	500	00	2,000	00	SL	10 yrs	200	00		—		—	100	00	2,400	00

DEPRECIATION SCHEDULE

		1		2		3															
Item or Description	Date Acquired	Cost		Salvage Value		Total Amount to be Depreciated (1-2=3)		Method	Life	Rate or Amount Each Year		Prior Deprec.		Beginning of Year Balance		Deprec. This Year		Ending of Year Balance*	
Portable Farrowing House	July 1	2,500	00	500	00	2,000	00	SL	10 yrs	200	00	100	00	2400	00	200	00	2,200	00

DEPRECIATION
UNIT IV

TEST

NAME_____ SCORE_____

1. Match terms associated with depreciation to the correct definitions. Write the correct numbers in the blanks provided.

_____a. Period over which the asset is expected to be valuable to the business or in the production of income

_____b. Form used to illustrate and record declining values

_____c. Decline in value of an asset due to causes such as wear, weather, obsolescence, or inadequacy; a method of prorating the cost of a working asset over its productive life

_____d. Value of an asset at the close of a calendar year of record keeping

_____e. Asset that is productive over a period longer than one year and becomes less valuable over time

_____f. Purchase price of assets bought outright

_____g. Amount that an asset will be worth when it is no longer useful or productive

_____h. Predetermined amount to be depreciated from an asset during the current calendar year of record keeping

_____i. Total value that has been taken in previous years

_____j. Value of an asset at the start of a calendar year of record keeping based on the depreciation taken off in previous years

1. Prior depreciation
2. Working asset
3. Salvage value
4. Beginning of year balance
5. Ending of year balance
6. Depreciation
7. Depreciation schedule
8. Depreciation this year
9. Cost
10. Useful life

2. Select from the following list reasons for depreciating an asset. Mark each correct answer with an "X."

_____a. Increases the net worth

_____b. Estimates current value

_____c. Makes the inventory look better

_____d. Helps in comparing enterprises

_____e. Estimates the average yearly non-cash expense

_____f. Adjusts taxable income

_____g. Speeds up record keeping

3. List the major causes of depreciation.

a. _____

b. _____

c. _____

4. Match methods of computing depreciation to the correct descriptions. Write the correct numbers in the blanks provided.

_____a. Salvage value is subtracted from the cost and the difference is divided by the useful life; the result is the amount to be depreciated each year

_____b. Completely depreciates the cost of an asset over its useful life

_____c. Fast write-off method which gives greater depreciation the first year and decreases over time

1. Sum of the year's digits
2. Declining balance
3. Straight-line

5. State the rule for determining which assets to set up on a depreciation schedule.

_____

_____

6. Distinguish between depreciable and non-depreciable assets. Place a "D" before depreciable assets and an "N" before non-depreciable assets in the blanks provided.

_____a. Land and conservation improvements to land

_____b. Fences

_____c. Personal residences

_____d. Personal cars, pickups, or motorcycles of which less than half of the mileage is used directly in the SOEP

_____e. Tractors, implements, machinery, and equipment

_____f. Feed, fuel, fertilizer, and consumable supplies

_____g. All livestock and animals

_____h. Barns and buildings

_____i. Vehicles of which more than half of mileage is used directly in the SOEP

_____j. Water systems

7. Match assets to the years of depreciation allowed. Write the correct numbers in the blanks provided.

_____a. 15 to 20 years

_____b. 8 to 10 years

_____c. 20 years

_____d. Actual expected useful life

_____e. 3 years

1. Vehicles
2. Tractors and implements
3. Barns and buildings
4. Other assets
5. Fences

8. Arrange in order steps for handling depreciable assets in the *Record Book.* Place a "1" in front of the first step, a "2" in front of the second step, and so on in the blanks provided.

_____a. Record the information requested on the "depreciation schedule" in the *Record Book*

_____b. Record the cost of the item on the "expense" page under the appropriate enterprise column on the date it is acquired

_____c. Record the information requested for the item on the depreciation schedule in the new book

_____d. Record the "ending of year balance" figure on the ending inventory as the value of the item on that date

_____e. Compute the annual depreciation to be taken

_____f. Record the beginning inventory value for the item in the new book exactly the same as the ending inventory value in the previous book

9. Complete a depreciation schedule.

(NOTE: If this activity has not been finished before the test, ask your instructor when it should be completed.)

DEPRECIATION
UNIT IV

ANSWERS TO TEST

1. a. 10 f. 9
   b. 7 g. 3
   c. 6 h. 8
   d. 5 i. 1
   e. 2 j. 4
2. b, e, f
3. a. Wear and tear due to use
   b. Obsolescence due to new technology
   c. Deterioration due to elements of nature
4. a. 3
   b. 1
   c. 2
5. Only those assets with an expected useful life of more than one year and cost $50 or more at time of purchase
6. a. N f. N
   b. D g. N
   c. N h. D
   d. N i. D
   e. D j. D
7. a. 3 d. 4
   b. 2 e. 1
   c. 5
8. a. 3 d. 4
   b. 1 e. 2
   c. 6 f. 5
9. Evaluated to the satisfaction of the instructor

CLOSING RECORDS
UNIT V

UNIT OBJECTIVE

After completing this unit, the student should be able to close out FFA records at the end of the record keeping period. This knowledge will be shown by completing the assignment sheet and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Arrange in order steps for completing the ending inventory.
2. List in order steps for transferring differences in inventories.
3. Arrange in order steps for totaling "sales and other income" and "expense" pages.
4. State the formulas for calculating total head or acres during the year.
5. Arrange in order steps for completing the "summary" pages.
6. Arrange in order steps for starting the new *Record Book*.
7. Close out a *Record Book*.

CLOSING RECORDS
UNIT V

SUGGESTED ACTIVITIES

I. Suggested activities

A. Provide students with objective sheet.

B. Provide students with information and assignment sheets.

C. Discuss unit and specific objectives.

D. Discuss information and assignment sheets.

E. Adapt materials for special needs students.

F. Have students who are closing out their *Record Books* for the first time, do the assignment sheet just prior to closing their own *Record Book*.

G. Make transparencies of forms in new record book that might be needed to show examples of postings and problems.

H. Give test.

I. Reteach, if necessary.

II. Instructional materials

A. Objective sheet

B. Information sheet

C. Assignment Sheet #1--Close Out a *Record Book*

D. Answers to assignment sheet

E. Test

F. Answers to test

III. Unit reference--*Future Farmers of America Supervised Training Record Book*. Stillwater: Oklahoma State Department of Vocational and Technical Education/ Curriculum and Instructional Materials Center, 1975.

CLOSING RECORDS
UNIT V

INFORMATION SHEET

I. Steps for completing the ending inventory

A. Value assets using same procedures as beginning inventory

B. Total all columns

C. Transfer beginning inventory totals to line provided on ending inventory form

D. Subtract beginning inventory totals from ending inventory totals

(NOTE: If the beginning inventory value for a particular enterprise is larger than the ending, then the difference will be a minus number.)

Example:

ENDING INVENTORY

December 31, 19___

Item or Description	Total Value	Value to the Enterprise					
		1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
Totals Ending Inventory	16,410 50	560 00	936 00	914 60	14,000 00		
Totals Beginning Inventory	15,595 00	707 00	888 00		14,000 00		
*Difference in ending and beginning (Plus or Minus)		-147 00	48 00	914 60	—		

*If the difference for an enterprise is Plus, record the difference on the sales page -- if Minus, record difference on expense page as a positive number.

INFORMATION SHEET

II. Steps for transferring differences in inventories

A. If the difference in inventory for an enterprise is a plus, record on the "sales and other income" page under the correct enterprise column

Example:

ENDING INVENTORY

December 31, 19____

Item or Description	Total Value	Value to the Enterprise					
		1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
Totals Ending Inventory	16,410 50	560 00	936 00	914 50	14,000 00		
Totals Beginning Inventory	15,595 00	707 00	888 00		14,000 00		
*Difference in ending and beginning (Plus or Minus)		+147 00	48 00	914 50	—		

*If the difference for an enterprise is Plus, record the difference on the sales page -- if Minus, record difference on expense page as a positive number.

Transfer the differences for beef and wheat as shown below

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise					
			1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP	6 Agribusiness
12/31	Increase in inventory	962 50		48 00	914 50			

INFORMATION SHEET

B. If the difference in inventory for an enterprise is a minus, record on the "expense" page as a positive number under the correct enterprise column

Example:

ENDING INVENTORY

December 31, 19____

Item or Description	Total Value	Value to the Enterprise					
		1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
Totals Ending Inventory	16,410 50	560 00	936 00	914 50	14,000 00		
Totals Beginning Inventory	15,595 00	707 00	888 00		14,000 00		
*Difference in ending and beginning (Plus or Minus)		+147 00	48 00	914 50	—		

*If the difference for an enterprise is Plus, record the difference on the sales page -- if Minus, record difference on expense page as a positive number.

Transfer the difference for swine as shown below

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise					
			1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
12/31	Decrease in inventory	147 00	147 00					

INFORMATION SHEET

III. Steps for totaling "sales and other income" and "expense" pages

(NOTE: Exhibition record income should only be recorded once a year. This is at closing when all exhibition record income is totaled and transferred on December 31.)

A. Transfer the total, by enterprise, of all exhibition record income to the "sales and other income" page

B. Post the prize money for each enterprise under the appropriate enterprise column

Example: Once the totals for the different enterprises have been done, a sample entry would look like the following:

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise					
			1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
12/31	Increase in inventory	962 50		48 00	914 50			
12/31	Prize money transfer	14 00	14 00					

C. Total all "sales and other income" columns

D. Total all "expense" columns

(CAUTION: On the "sales and other income" page, and the "expense" page, the final totals of all enterprise columns must be equal to the "total sale or income" and "total expense" columns, respectively.)

INFORMATION SHEET

IV. Formulas for calculating total head or acres during the year

A. Livestock

Total Head on Beginning Inventory	+	Total Head Bought	+	Total Head Raised	=	TOTAL HEAD DURING YEAR

(NOTE: Total head bought will be taken from the "expense" page. Total head raised will come from the "livestock yield" form. Each livestock enterprise classification should be calculated separately.)

B. Acreage

(NOTE: Figure each crop variety as being a separate enterprise.)

Total Acres on Beginning Inventory	+	Total Acres of Same Kind of Crop Resulting From a Different Planting	=	TOTAL ACRES DURING YEAR

V. Steps for completing the "summary" pages

A. List enterprise column names from top to bottom on the left exactly as they are from left to right in the rest of the *Record Book*

B. Calculate total head or acres during year for each enterprise

C. Calculate beginning inventory scope or size in number, head, or acres

D. Transfer beginning inventory values for each enterprise column from the "beginning inventory" page to the appropriate column line on the "summary" page

E. Calculate ending inventory scope or size in number, head, or acres

F. Transfer ending inventory values for each enterprise column from the "ending inventory" page to the appropriate column on the "summary" page

G. Transfer the number of units produced by each enterprise from the "record of crop yield" and the "record of livestock yield" pages to the appropriate enterprise on the "summary" page

H. Transfer "sales and other income" enterprise column totals to the appropriate enterprise lines on the "summary" page

I. Transfer "expense" page enterprise column totals to the appropriate enterprise lines on the "summary" page

J. Calculate total profit or loss

(NOTE: Figure the difference between columns 2 and 3. If column 2 is larger than 3, then column 4 will be a plus; if column 3 is larger than 2, then column 4 will be a negative.)

INFORMATION SHEET

K. Transfer figures from column 4 to column 5 on the "production agriculture" enterprise lines

L. Transfer agribusiness profit or loss from column 4 to column 6 on the "agribusiness" enterprise line

M. Transfer practices completed for each enterprise from the "improvement practices" page to the appropriate lines on the "summary" page

N. Transfer supplementary skills or competencies completed for each enterprise from the "skills or competencies" page to the appropriate lines on the "summary" page

O. Transfer visits from the "teacher visits" page to the "summary" page, on the "teacher visits" column, bottom line

P. Total all columns on the "summary" page to the bottom, where applicable

(CAUTION: Be sure to properly combine the positive and negative numbers in the columns where they are both present.)

Q. After supplying the information requested, compute the ending net worth

R. Compute enterprise analysis forms, where applicable

VI. Steps for starting the new *Record Book*

A. Fill out front cover

B. Label enterprise columns throughout the new book the same as the previous book

C. Fill out agreement

D. Fill out long-range plan

E. Fill out new beginning inventory exactly as ending inventory in the previous book

F. Fill out new beginning net worth exactly as ending net worth in the previous book

G. Fill out accounts payable and receivable if they have not been closed out

H. Transfer breeding record information into the new *Record Book* for those animals that are still pregnant

I. Transfer weight record information on projects that are still owned

J. Transfer depreciation schedule information to new *Record Book*

CLOSING RECORDS
UN.T V

ASSIGNMENT SHEET #1--CLOSE OUT A *RECORD BOOK*

NAME_____ SCORE _____

Using records provided on the following pages, close out this record book.

ASSIGNMENT SHEET #1

BEGINNING INVENTORY

January 1, 19____

Item or Description	Total Value	Value to the Enterprise											
		1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
2 reg. Hamp gilts. 175 lb. each							
$92 invested in each	184 00	184 00					
1 Simmental Cow (Purchased Cow-calf pair)	600 00		600 00				
1 Simmental calf (4 months old and will be a show steer)							
production cost invested =	246 00		246 00				
Plan to work ground and plant wheat later	— —			—			
20 acres farm land to plant wheat crop on	14,000 00				14,000 00		
1 portable A-frame hog-house (Purchased July 1 for $500)							
See depreciation schedule	485 00	485 00					
200# of hog feed @ 13.00/cwt	26 00	26 00					
Swine show equip.	12 00	12 00					
Beef show equip. (halter, brush, comb)	42 00		42 00				
400 bu wheat @ $4.30/bu	1720 00			1720 00			
Totals--Beginning Inventory	17315 00	707 00	888 00	1720 00	14,000 00		

ASSIGNMENT SHEET #1

ENDING INVENTORY

December 31, 19____

Item or Description	Total Value	Value to the Enterprise					
		1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agribusiness
1 Hamp Barrow	93 00	93 00					
1 Portable A-frame hog house	455 00	455 00					
Swine show equip.	12 00	12 00					
1 Simmental cow (2½ yrs old)	600 00		600 00				
1 Simmental steer calf (8 mos. old)	326 00		326 00				
20 acres of growing wheat (Production costs + 1 year rent to land enterprise)	914 50			914 50			
20 acres land	14,000 00				14,000 00		
Beef show equipment	42 00		42 00				
Totals Ending Inventory							
Totals Beginning Inventory							
*Difference in ending and beginning (Plus or Minus)							

*If the difference for an enterprise is Plus, record the difference on the sales page -- if Minus, record difference on expense page as a positive number.

ASSIGNMENT SHEET #1

STUDENT'S NET WORTH STATEMENT

A. Student's Assets	Beginning	Ending
	Date 9-1-81	Date
1. Total inventory value (from pages 8 and 9)	$15,595.00	$
2. Accounts receivable (from page 10)	$ —	$ —
3. Cash money on hand	$ 12.17	$ 2.25
4. Checking account (1st Nat'l Bank)	$ 111.06	$ 97.60
5. Savings account (Liberty Fed. Sav. & Loan)	$ 2,134.18	$ 2179.74
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$	$
12 ga. Shotgun	$ 160.00	$ 160.00
1yr old motorcycle	$ 700.00	$ 700.00
	$	$
	$	$
	$	$
A. TOTAL ASSETS	$ 20,432.41	$

B. Student's Liabilities		
1. Unpaid bills (Central Feed Store)	$ 47.51	$ —
2. Accounts payable (notes and mortgages) from page 10		
	$	$ —
3. Other liabilities (specify)	$	$ —
	$	$ —
	$	$ —
B. TOTAL LIABILITIES	$ 47.51	$

NET WORTH (A minus B) Beginning $20,384.90 NET WORTH (A minus B) Ending $

(CAUTION: Beginning net worth values in this book must be the same as the ending net worth values of the previous book and ending net worth values of this book must be the same as the beginning net worth values of the next book.)

ASSIGNMENT SHEET #1

SALES AND OTHER INCOME

Date	Item or Sale and Description	Total Sale or Income	Charge to Enterprise 1 Swine	2 Beef	3 Wheat	4 Land	5 Equip.	6 Agr. Business
9/15	1yr. rent of land for wheat (20 acres @ $25/acre)	500.00				500.00		
9/20	10 hours tractor driving for Mr. Smith	40.00						40.00
9/22	400 bu wheat @ $4.42/bu	1768.00			1768.00			
9/27	Exchange labor for Sept. helping plant parents wheat (38 hr.) in exchange for equip use	152.80						152.80
9/30	Exchange labor for Sept. pasture rent	10.00						10.00
10/24	1 Bred Hamp gilt	185.00	185.00					
10/31	Exchange labor for Oct. pasture rent for cow calf	10.00						10.00
11/8	1 Bred Hamp gilt	225.00	225.00					
11/30	Exchange labor for Nov. pasture rent for cow and calf	10.00						10.00
12/1	1 Cross barrow	90.00	90.00					
12/1	Rented out wheat pasture for Dec.	80.00			80.00			
12/31	Exchange labor pasture rent for Dec.	10.00						10.00
	FORWARD TOTALS							

ASSIGNMENT SHEET #1

EXPENSES

Date	Item of Expense and Description	Total Expense	Charge to Enterprise 1 Swine	2 Beef	3 wheat	4 land	5 Equip.	6 Agribusiness
9/12	200# hogfeed	26 00	26 00					
9/15	30bu @ $5.15/bu. seed wheat	154 50			154 50			
9/15	1yr. of land for wheat (20 acres @ $25.00/acre)	500 00			500 00			
9/16	Entry Fee for gilts (State Fair)	8 00	8 00					
9/22	2 Tons 10-20-10 @ $130/T for wheat	260 00			260 00			
9/27	Use of Dado equip. for discing & planting wheat	152 80			152 80			
9/30	Pasture rent in exchange for labor	10 00		10. 00				
10/10	200# hog feed	26 20	26 20					
10/11	Breeding fee for 2 gilts @ 50.00/gilt	100 00	100 00					
10/27	1 Hamp barrow	75 00	75 00					
10/27	1 Cross barrow	75 00	75 00					
10/31	Oct pasture rent in exchange for labor	10 00		10. 00				
11/12	500# hogfeed	66 25	66 25					
11/30	Nov. pasture rent in exchange for labor	10 00		10. 00				
12/31	Dec. pasture rent in exchange for labor	10. 00		10. 00				
	FORWARD TOTALS							

ASSIGNMENT SHEET #1

EXHIBITION RECORD

Record all exhibits--transfer prizes won to the sales and other income page and enter for the proper enterprise at the end of the year.

Date	Kind of Exhibit	Where Exhibited	Placings	Prize Won	
10/7	Hamp gilt	State Fair	1st	12.	00
10/7	Hamp gilt	State Fair	7st	2.	00

ASSIGNMENT SHEET #1

SUMMARY OF STUDENT'S

Enterprise	Total Head or Acres During Year	Beginning Inventory (Page 8)			Ending Inventory (Page 9)			(1) Yield (Page 27)
		(Scope) Size in Number, Head, or Acres	Value		(Scope) Size in Number, Head, or Acres	Value		
1 SWINE								
2 BEEF								
3 WHEAT								
4 LAND								
5 EQUIPMENT								
6 Agribusiness	Approx. 120							
Total Supervised Training Program	xxx	xxx	$		xxx	$		xxx

*For Agribusiness show total hours instead of total head or acres.

*If a student constructs an Ag Mechanics Project that he or she has sold for a profit it is to be carried under Agribusiness enterprise.

*If a student constructs an Ag Mechanics Project for his or her Supervised Training Program it should be charged to that productive enterprise if its value is less than $50.00. If its value is $50.00 or more then it should be set up on a depreciation schedule and carried under the equipment enterprise.

ASSIGNMENT SHEET #1

SJPERVISED TRAINING PROGRAM

(2) Total Sales & Other Income Pages 12 & 13	(3) Total Expenses Pages 14 - 19	Student Income			No. of Improvement Practices Completed (Page 28)	No. of Skills or Competencies Completed (Pages 29 & 30)	Teacher Visits (Page 35)
		(4) Total Profit or Loss (Col. 2# minus #3)	(5) Production Enterprise Profit Loss	(6) Agribusiness Profit or Loss (Col. #2 minus #3)			
					4	3	4
						4	4
					5	5	2
						3	
$	$	$	$	$			

CLOSING RECORDS
UNIT V

ANSWERS TO ASSIGNMENT SHEET

Assignment Sheet #1

ENDING INVENTORY

December 31, 19____

Item or Description	Total Value	Value to the Enterprise					
		1 [illegible]E	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6 Agribusiness
Totals Ending Inventory	16,442 50	560 00	968 00	914 60	14000 00		
Totals Beginning Inventory	17,315 00	707 00	888 00	1720 00	14,000 00		
*Difference in ending and beginning (Plus or Minus)	-872 50	+147 00	80 00	-805 50			

*If the difference for an enterprise is Plus, record the difference on the sales page -- if Minus, record difference on expense page as a positive number.

STUDENT'S NET WORTH STATEMENT

A. Student's Assets	Beginning	Ending
	Date 9-1-81	Date
1. Total inventory value (from pages 8 and 9)	$ 17,315.00	$ 16,442.50
2. Accounts receivable (from page 10)	$	$
3. Cash money on hand	$ 12.17	$ 2.25
4. Checking account (1st Nat'l Bank)	$ 111.06	$ 97.60
5. Savings account (Liberty Fed. Sav. + Loan)	$ 2,134.18	$ 2179.74
6. Other investments (cash surrender on bonds, cash surrender value of life insurance, postal savings, etc.)	$	$
12ga. shotgun	$ 160.00	$ 160.00
1yr. old motorcycle	$ 700.00	$ 700.00
	$	$
	$	$
	$	$
A. TOTAL ASSETS	$ 20,432.41	$ 19,582.09

B. Student's Liabilities		
1. Unpaid bills (Central Feed Store)	$ 47.51	$
2. Accounts payable (notes and mortgages) from page 10		
	$	$
3. Other liabilities (specify)	$	$
	$	$
	$	$
B. TOTAL LIABILITIES	$ 47.51	$

NET WORTH (A minus B) Beginning $ 20,384.90 NET WORTH (A minus B) Ending $ 19,582.09

(CAUTION: Beginning net worth values in this book must be the same as the ending net worth values of the previous book and ending net worth values of this book must be the same as the beginning net worth values of the next book.)

SALES AND OTHER INCOME

Date	Item of Sale and Description	Total Sale or Income	Charge to Enterprise 1 SWINE	2 BEEF	3 WHEAT	4 LAND	5 EQUIP.	6
9/15	1yr. rent of land for wheat (70ac. @ $25/acre)	500 00				500. 00		
9/20	10hr. Tractor driving for Mr. Smith	40. 00						40. 00
9/22	400 bu wheat @ $4.42/bu	1768 00			1768 00			
9/27	Exchange 1 bbr for helping Plant parent wheat (3 hr.) in exchange for Equipuse	152 80						152 80
9/30	Exchange labor for Sept. pasture rent	10. 00						10. 00
10/24	1 Bred hamp gilt	185 00	185 00					
10/31	Exchange labor for Oct. pasture rent for Cow + calf	10. 00						10. 00
11/8	1 Bred hamp gilt	225 00	225 00					
11/30	Exchange labor for Nov. Pasture rent for Cow & calf.	10. 00						10. 00
12/1	1 Cross barrow	90 00	90. 00					
12/1	Rented out wheat pasture for Dec.	80 00			80. 00			
12/31	Exchange labor for pasture rent	10. 00						10. 00
12/31	Prize money transfer	14. 00	14. 00					
12/31	Increase in inventory	80. 00		80. 00				
	FORWARD TOTALS	3174 80	514 00	80 00	1848 00	500 00		232 80

EXPENSES

Date	Item of Expense and Description	Total Expense		Charge to Enterprise 1 SWINE		2 BEEF		3 WHEAT		4 LAND		5 EQUIP		6 Agribusiness	
9/12	200# hog feed	26	00	26	00										
9/15	seed wheat 30bu @ $5.15/bu	154	50					154	50						
9/15	1yr at land for wheat (20 acres @ $25/acre)	500	00					500	00						
9/16	Entry Fee for gilts STATE FAIR	8	00	8	00										
9/22	2 Tons of 10-20-10 @ $130/T for wheat	260	00					260	00						
9/27	Use of Deds Equip. for Discing and Planting wheat	152	80					152	80						
9/30	Pasture Rent in Exchange for labor	10.	00			10.	00								
10/10	200# Hog feed	26	25	26	25										
10/11	Breeding Fee for two gilts @ $50/gilt	100	00	100	00										
10/27	1 Hamp Barrow	75	00	75	00										
10/27	1 Cross Barrow	75	00	75	00										
10/31	Oct. Pasture rent in Exchange for labor	10	00			10.	00								
11/12	500# hog feed	66	25	66	25										
11/30	Nov. Pasture rent in Exchange for labor	10.	00			10.	00								
12/31	Dec. Pasture rent in Exchange for labor	10.	00			10.	00								
12/31	Decrease in Inventory	952	50	147	00			805	50						
	FORWARD TOTALS	2436	25	523	45	40	00	1872	80						

SUMMARY OF STUDENT'S

Enterprise	Total Head or Acres During Year	Beginning Inventory (Page 8) (Scope) Size in Number, Head, or Acres	Beginning Inventory (Page 8) Value		Ending Inventory (Page 9) (Scope) Size in Number, Head, or Acres	Ending Inventory (Page 9) Value		(1) Yield (Page 27)
1 Swine	4 head and Equip	2 head and Equip.	707	00	1 head and Equip.	560	00	
2 Beef	2 head	2 head	888	00	2 head	968	00	
3 Wheat	20 acres	400 bu.	1720	00	20 acres	914	50	
4 Land	20 acres	20 acres	14,000	00	20 acres	14,000	00	
5 Equipment								
6 Agribusiness	Approx. 120							
Total Supervised Training Program	xxx	xxx	$ 17,315	00	xxx	$ 16,442	50	xxx

*For Agribusiness show total hours instead of total head or acres.

*If a student constructs an Ag Mechanics Project that he or she has sold for a profit it is to be carried under Agribusiness enterprise.

*If a student constructs an Ag Mechanics Project for his or her Supervised Training Program it should be charged to that productive enterprise if its value is less than $50.00. If its value is $50.00 or more then it should be set up on a depreciation schedule and carried under the equipment enterprise.

SUPERVISED TRAINING PROGRAM

(2) Total Sales & Other Income Pages 12 & 13		(3) Total Expenses Pages 14 - 19		Student Income (4) Total Profit or Loss (Col. 2# minus #3)		Student Income (5) Production Enterprise Profit Loss		Student Income (6) Agribusiness Profit or Loss (Col. #2 minus #3)		No. of Improvement Practices Completed (Page 28)	No. of Skills or Competencies Completed (Pages 29 & 30)	Teacher Visits (Page 35)
514	00	523	45	-9	45					4	3	4
80	00	40	00	40	00						4	4
1848	00	1872	80	-24	80					5	5	2
500	00			500	00							
232	80			232	80			232	80		3	
$ 3174	80	$ 2436	25	$ 738	55	$		$ 232	80	9	15	10

CLOSING RECORDS
UNIT V

TEST

NAME _____ SCORE _____

1. Arrange in order steps for completing the ending inventory. Write a "1" before the first step, a "2" before the second step, and so on in the blanks provided.

   _____a. Transfer beginning inventory totals to line provided on ending inventory form

   _____b. Value assets using same procedures as beginning inventory

   _____c. Total all columns

   _____d. Subtract beginning inventory totals from ending inventory totals

2. List in order steps for transferring differences in inventories.

   a. _____

   _____

   _____

   b. _____

   _____

   _____

3. Arrange in order steps for totaling "sales and other income" and "expense" pages. Write a "1" before the first step, a "2" before the second step and so on in the blanks provided.

   _____a. Total all "sales and other income" columns

   _____b. Total all expense columns

   _____c. Transfer the total, by enterprise, of all exhibition record income to the "sales and other income" page

   _____d. Post the prize money for each enterprise under the appropriate enterprise column

4. State the formulas for calculating total head or acres during the year.

   a. Livestock-- _____

   _____

   _____

b. Acreage-- _____

_____

_____

5. Arrange in order steps for completing the "summary" pages. Write a "1" before the first step, a "2" before the second step, and so on in the blanks provided.

_____a. Calculate beginning inventory scope or size in number, head, or acres

_____b. Transfer visits from the "teacher visits" page to the "summary" page, on the "teacher visits" column, bottom line

_____c. Compute enterprise analysis forms, where applicable

_____d. List enterprise column names from top to bottom on the left exactly as they are from left to right in the rest of the *Record Book*

_____e. Transfer ending inventory values for each enterprise column from the "ending inventory" page to the appropriate column on the "summary" page

_____f. Transfer practices completed for each enterprise from the "improvement practices" page to the appropriate lines on the "summary" page

_____g. Total all columns on the "summary" page to the bottom, where applicable

_____h. Calculate total profit or loss

_____i. Transfer agribusiness profit or loss from column 4 to column 6 on the "agribusiness" enterprise line

_____j. Calculate total head or acres during year for each enterprise

_____k. After supplying the information requested, compute the ending net worth

_____l. Transfer "sales and other income" enterprise column totals to the appropriate enterprise lines on the "summary" page

_____m. Calculate total head or acres during year for each enterprise

_____n. Transfer "expense" page enterprise column totals to the appropriate enterprise lines on the "summary" page

_____o. Transfer beginning inventory values for each enterprise column from the "beginning inventory" page to the appropriate column on the "summary" page

_____p. Transfer figures from column 4 to column 5 on the "production agriculture" enterprise lines

_____q. Transfer the number of units produced by each enterprise from the "record of crop yield" and the "record of livestock yield" pages to the appropriate enterprise on the "summary" page

_____r. Transfer supplementary skills or competencies completed for each enterprise from the "skills or competencies" page to the appropriate lines on the "summary" page

6. Arrange in order steps for starting the new *Record Book*. Write a "1" before the first step, a "2" before the second step, and so on in the blanks provided.

_____a. Fill out long-range plan

_____b. Fill out front cover

_____c. Transfer depreciation schedule information to new *Record Book*

_____d. Fill out accounts payable and receivable if they have not been closed out

_____e. Fill out new beginning net worth exactly as ending net worth in the previous book

_____f. Label enterprise columns throughout the new book the same as the previous book

_____g. Transfer weight record information on projects that are still owned

_____h. Fill out agreement

_____i. Transfer breeding record information into the new *Record Book* for those animals that are still pregnant

_____j. Fill out new beginning inventory exactly as ending inventory in the previous book

7. Close out a *Record Book*.

(NOTE: If this activity has not been finished before the test, ask your instructor when it should be completed.)

CLOSING RECORDS
UNIT V

ANSWERS TO TEST

1. a. 3 c. 2
   b. 1 d. 4

2. a. If the difference in inventory for an enterprise is a plus, record on the "sales and other income" page under the correct enterprise column
   b. If the difference in inventory for an enterprise is a minus, record on the "expense" page as a positive number under the correct enterprise column

3. a. 3 c. 1
   b. 4 d. 2

4. a. Total Head on Beginning Inventory + Total Head Bought + Total Head Raised = TOTAL HEAD DURING YEAR
   b. Total Acres on Beginning Inventory + Total Acres of Same Kind of Crop Resulting From Different Planting = TOTAL ACRES DURING YEAR

5. a. 3 g. 16 m. 2
   b. 15 h. 10 n. 9
   c. 18 i. 12 o. 4
   d. 1 j. 5 p. 11
   e. 6 k. 17 q. 7
   f. 13 l. 8 r. 14

6. a. 4 f. 2
   b. 1 g. 9
   c. 10 h. 3
   d. 7 i. 8
   e. 6 j. 5

7. Evaluated to the satisfaction of the instructor